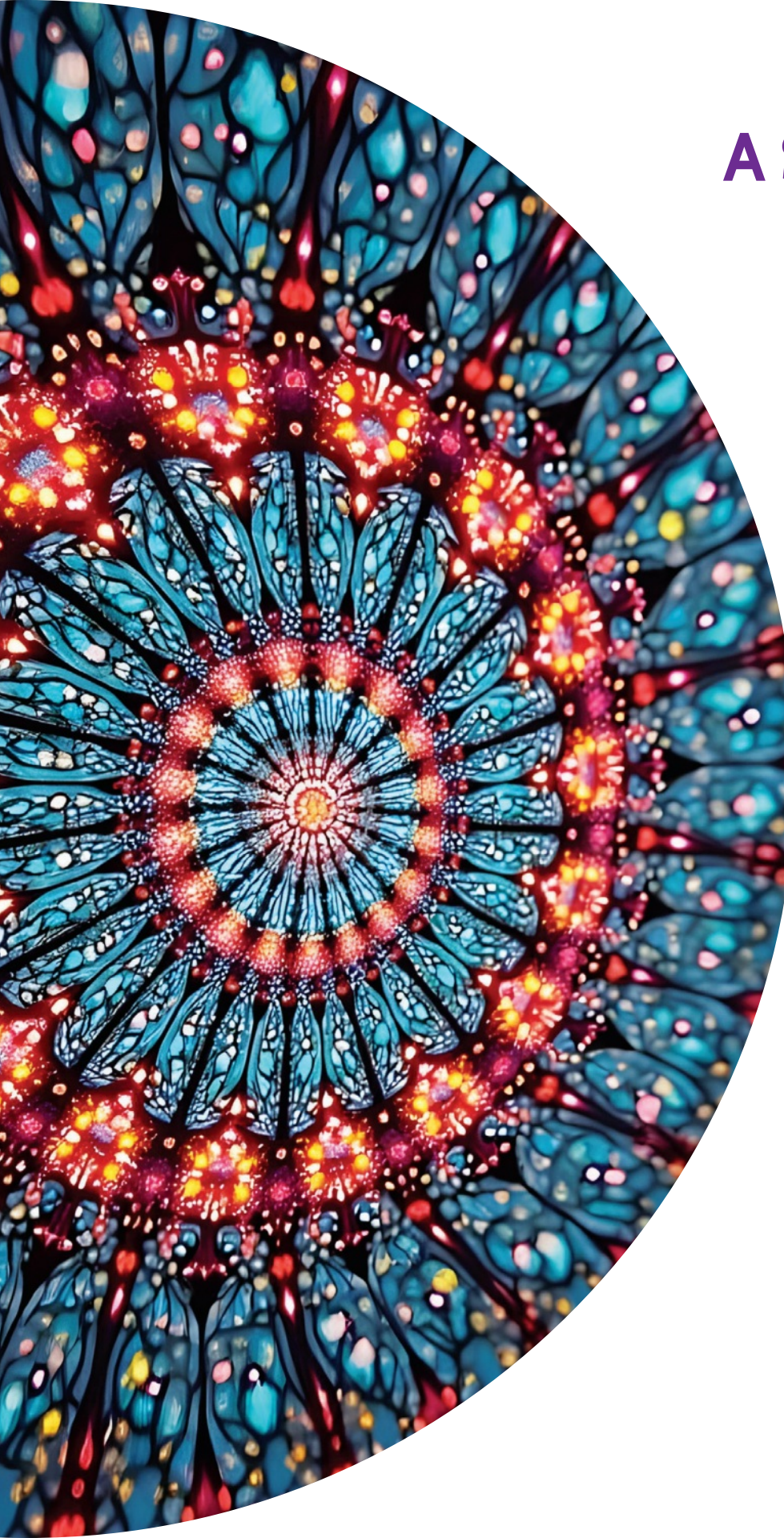




A SPECTRUM OF GROWTH

Amāna Bank PLC
Annual Report 2024

Amāna Bank 

It's *Your* Bank



A SPECTRUM OF GROWTH

In a year defined by progress and promise, we celebrate the strides we have taken as a Bank leveraging on our strong track record of resilience towards optimising our growth potential. Achieving an investment grade Fitch rating of BBB- with a stable outlook is not merely a milestone but a reflection of the solid foundation we have built, guided by values that remain steadfast amidst evolving landscapes.

Our journey mirrors the dynamic nature of a kaleidoscope—each shift revealing new patterns, driven by a harmony of enduring principles and forward-looking strategies in line with our people friendly and development focussed banking approach. From fostering a culture that prioritises our team's well-being to integrating robust technology and sustainable practices, we continue to expand our horizons.

Our spectrum of growth is more than the achievements we celebrate today; it is a vision for tomorrow, where every perspective contributes towards different possibilities and opportunities for a prosperous future - Enabling Growth and Enriching Lives!

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Ten Years at a Glance

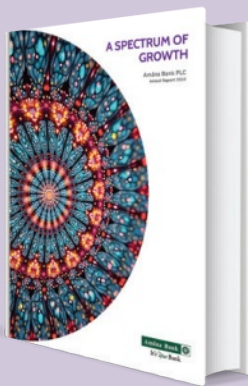
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ABOUT THE REPORT

The Integrated Annual Report for 2024 is the 3rd Integrated Report prepared by Amāna Bank PLC. The current report demonstrates how the Bank is striving to fulfill its purpose of creating measurable and sustainable value for all stakeholders. In this regard, the report narrative has been developed along with supporting quantitative and qualitative performance indicators to enable stakeholders to determine the Bank's ability to create and preserve sustainable value over time.

AMĀNA BANK'S INTEGRATED REPORTING PROCESS

<IR> FRAMEWORK: CONTENT ELEMENTS



Amāna Bank's approach to integrated reporting is based on the <IR> Framework, a process that starts with comprehensive data collection spanning all business functions and covering all key areas such as financial performance, environmental impact, social responsibility, governance and risk management. This is followed by a rigorous examination of quantitative and qualitative aspects with the final report showcasing the interconnected efforts across different areas of the Bank to drive sustainable value creation over time.



MATERIALITY

Material Topics, which are most significant to stakeholders, forms the basis for the preparation of its integrated report. The 16 Material Topics applicable for the current report are shown in the Materiality section on page 62.

KEY IMPROVEMENTS IN THE 2024 REPORT

- ❖ Greater Clarity in the Strategy section
- ❖ Improvements to Materiality section showing connectivity to SDGs
- ❖ Enhancing the Approach to Sustainability reporting in readiness for SLFR S1 & S2
- ❖ Restructuring the Capital Reports to bring more clarity to stakeholder outcomes
- ❖ Introduction of a dedication section highlighting Capital Trade-offs

SCOPE AND BOUNDARY

This report covers the period 1 January 2024 to 31 December 2024 and includes post balance sheet events as relevant.

The information in this report – both financial and non-financial – pertains to Amāna Bank’s business model, strategy, performance and prospects.



About the Report *Contd.*

COMBINED ASSURANCE

The integrity of the financial and non-financial information presented in the report has been validated using the combined assurance model. Internally, the Management Committee and followed by the Board Sub Committees and/or Board of Directors have assessed the reporting processes and reviewed relevant Reports to ensure that it has been prepared in accordance with the stated reporting suite.

In addition, independent external assurance has been provided by the Bank's external auditors – Messrs Ernst & Young on the accuracy and completeness of Financial Statements for the year ending 31 December 2024. (Pages 234 to 237)

RESPONSIBILITY STATEMENT

The Board of Directors of Amāna Bank PLC is responsible for ensuring the integrity of this Annual Report. Accordingly, the Board is satisfied that the report has been prepared in accordance with the International Integrated Reporting <IR> Framework and that the report presents a comprehensive

and balanced evaluation of the Bank's governance, strategy, risks and opportunities, performance, and future outlook. It also outlines how these factors influence Amāna Bank's ability to create and sustain value while mitigating potential value erosion over the short, medium, and long term.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements, representing Amāna Bank's outlook beyond 2024, including expectations regarding operating results, growth prospects, and overall business performance. While these statements are consistent with the assumptions and projections deemed reasonable at the time of publishing this report, the Bank cannot guarantee that actual outcomes will align with these expectations. Various factors, such as shifts in economic and market conditions, regulatory changes, and competitive dynamics, may impact future performance, leading to deviations from these projections.

Given these uncertainties, Amāna Bank PLC does not commit to updating or revising any forward-looking statements in the future. Furthermore, the Bank confirms that there are no restatements related to the 2023 Annual Report or any previous reports, unless otherwise stated.

FEEDBACK

The Board welcomes stakeholder feedback on this Integrated Annual Report and requests readers to direct all communications to:

The Company Secretary
Company Secretarial Division
Amāna Bank PLC
6th Floor, No. 403, Galle Road, Colombo 3,
Sri Lanka.
Tel: +94 11 7757400
(Weekdays between 9 am to 5 pm)





VISION

To be an admired leader in providing equitable financial solutions, not limited to numerics, but also in earning the trust of our customers, employees, shareholders and country.

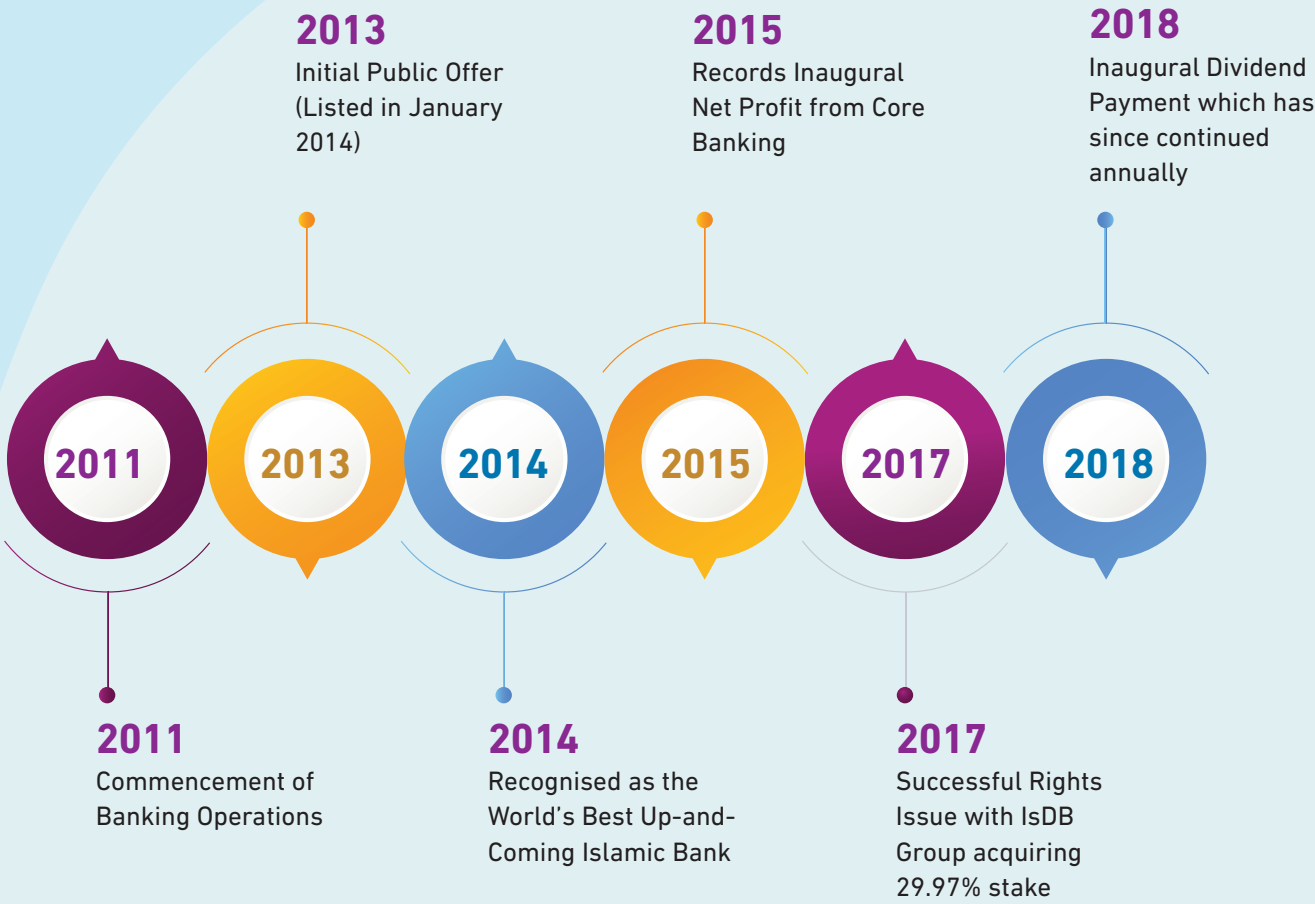
MISSION

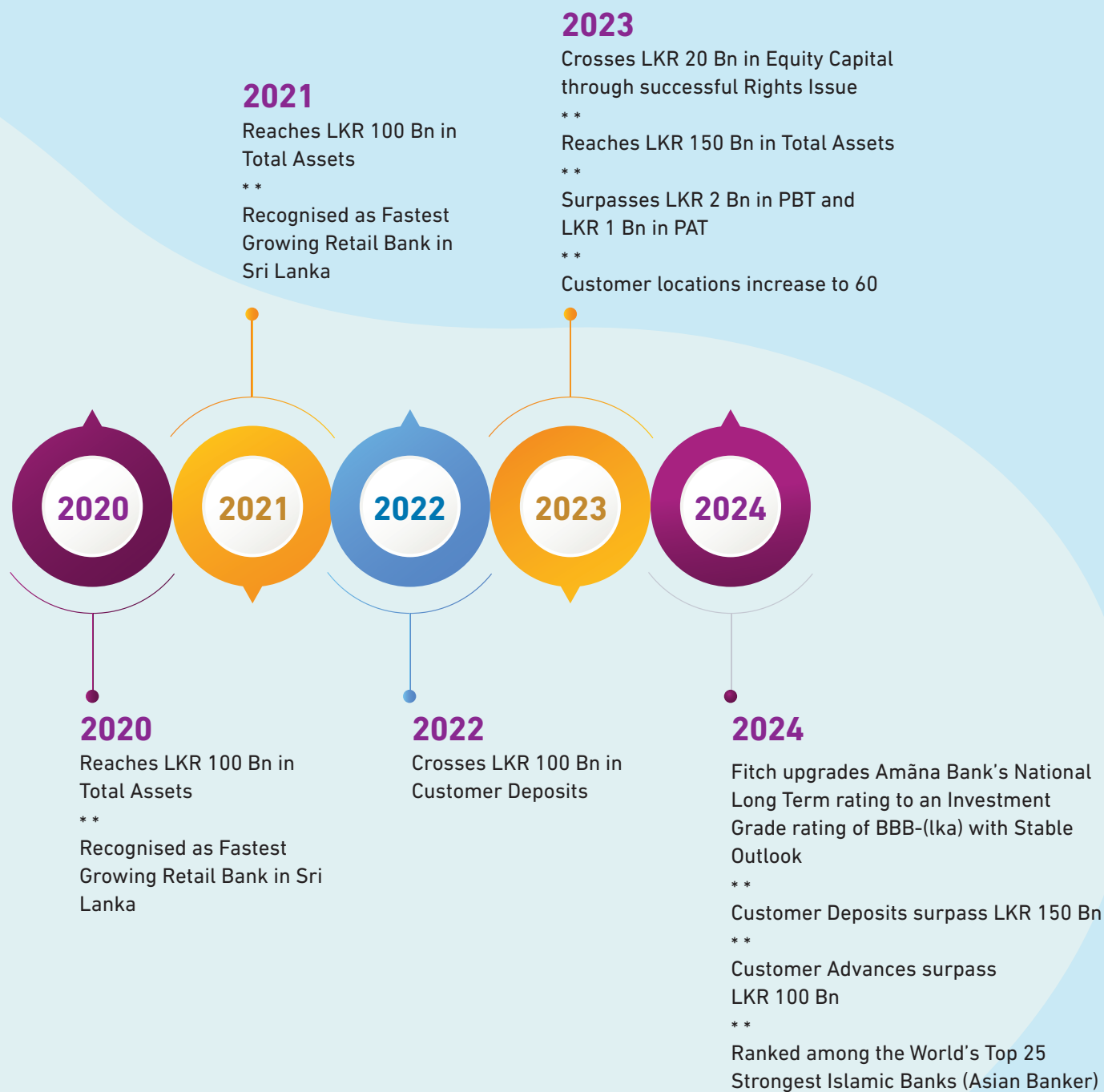
To adopt a unique and people friendly approach in banking with a passion for continuous improvement, enabling growth and enriching lives.

VALUES

- ◆ We believe that you have a right to be treated fairly
- ◆ We believe that one should not gain at the expense of another
- ◆ We believe that being responsible and ethical is as important as making profits and gains
- ◆ We believe that entrepreneurship should be encouraged and given a fair opportunity to succeed
- ◆ We believe that the best of actions are the ones which create true happiness in people
- ◆ We believe that you feel the same way we do

OUR JOURNEY





BOARD OF DIRECTORS



ALI ASGHAR (ASGI) AKBARALLY
Chairman
Non-Executive, Non-Independent Director

01



MOHAMED AZMEER
Managing Director/CEO

02



KHAIRUL MUZAMEL PERERA BIN ABDULLAH
Non-Executive, Senior Independent Director

03



DILSHAN HETTIARATCHI
Non-Executive, Non-Independent Director

04



MOHAMMED ATAUR RAHMAN CHOWDHURY
Non-Executive, Non-Independent Director

05



SYED MUHAMMED ASIM RAZA
Non-Executive, Non-Independent Director

06



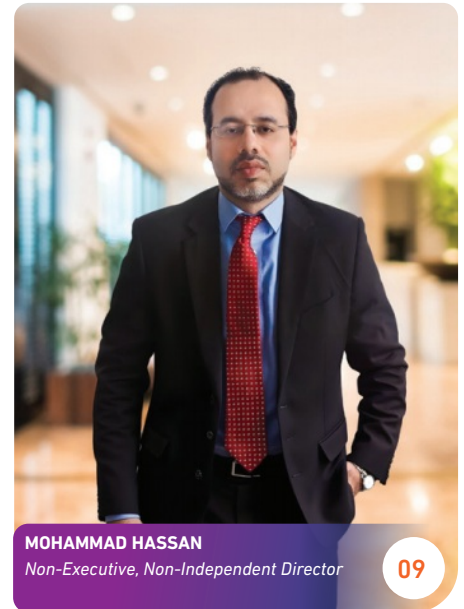
TISHAN SUBASINGHE
Non-Executive, Independent Director

07



MOHAMED ADAMALY, PC
Non-Executive, Non-Independent Director

08



MOHAMMAD HASSAN
Non-Executive, Non-Independent Director

09



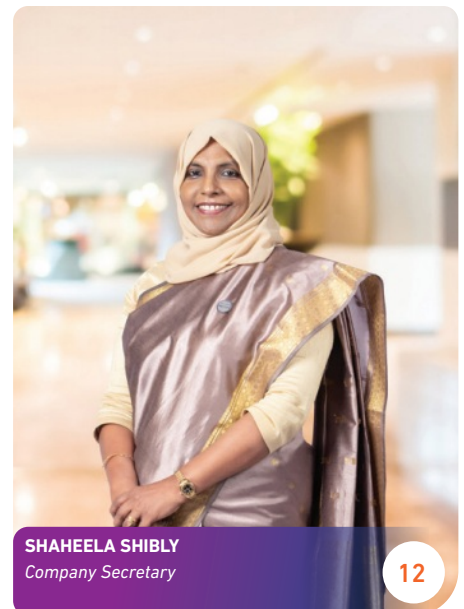
DELVIN WILLIAM PEREIRA
Non-Executive, Independent Director

10



MOHAMED ZAHEER MOHAMED AZREEN
Non-Executive, Independent Director

11



SHAHEELA SHIBLY
Company Secretary

12

01. ALI ASGHAR (ASGI) AKBARALLY

Chairman

Non-Executive, Non-Independent Director

DATE OF APPOINTMENT

18 July 2020

COMMITTEE MEMBERSHIP

Member

- ❖ Board Human Resources and Remuneration Committee
- ❖ Board Nomination and Governance Committee
- ❖ Board Credit Committee

QUALIFICATIONS, EXPERTISE AND EXPERIENCE

Ali Asghar (Asgi) Akbarally is a Managing Director of Akbar Brothers (Pvt) Ltd, one of Sri Lanka's largest diversified corporates, globally renowned for its tea exports. Asgi Akbarally holds directorship in multiple subsidiaries and affiliates of the Akbar Group covering sectors such as Manufacturing, Property Development, Hotels & Leisure, Power Generation, Packaging & Printing, Logistics and Environmental Services. He is the Managing Director of Renewgen (Pvt) Ltd and Deputy Chairman of WindForce PLC, Chairman of Hermitage Resorts (Pvt) Ltd, Uthurumaafaru Holding (Pvt) Ltd, Maldives, Lhaviyani Holdings (Pvt) Ltd and Cocoon Investments (Pvt) Ltd, Maldives. He is also a Director of Alumex PLC.

Asgi Akbarally is currently the Honorary Consul of the Hashemite Kingdom of Jordan. He holds a BSc Degree in Industrial Engineering from the California State University and is a Fellow Member of the Institute of Certified Professional Managers. A classic car enthusiast, Asgi Akbarally has authored a coffee table book on "Classic and Vintage Automobiles of Ceylon" and is the Patron of the Classic Car Club of Ceylon.

OTHER CURRENT DIRECTORSHIPS - 19 COMPANIES

Unlisted Companies

Executive Capacity

- ❖ Akbar Brothers (Private) Limited
- ❖ Akbar Brothers Exports (Private) Limited
- ❖ Falcon Trading (Private) Limited
- ❖ Falcon Development (Private) Limited
- ❖ Chadstone Holdings (Private) Limited
- ❖ Quick Tea (Private) Limited
- ❖ Renewgen (Private) Limited

Non-Executive Capacity

- ❖ Lhaviyani Holdings (Pvt) Ltd
- ❖ Hermitage Resorts (Private) Limited
- ❖ Uthurumaafaru Holdings (Pvt) Limited – Maldives
- ❖ Flexi Print (Private) Limited
- ❖ Stella Plastic (India) (Pvt) Limited
- ❖ Kassanfaru One (Pvt) Limited, Maldives
- ❖ AB Lagoon (Pvt) Limited, Maldives
- ❖ Joy Resorts (Pvt) Limited, Maldives
- ❖ Cocoon Investments (Pvt) Limited
- ❖ Land and Building Limited

Listed Companies

Executive Capacity

- ❖ WindForce PLC

Non-Executive Capacity

- ❖ Alumex PLC

02. MOHAMED AZMEER

Managing Director/CEO

DATE OF APPOINTMENT

27 April 2022

COMMITTEE MEMBERSHIP

Member

- ❖ Board Credit Committee

QUALIFICATIONS, EXPERTISE AND EXPERIENCE

Mohamed Azmeer, Managing Director/CEO of Amāna Bank, is a seasoned banker with a career spanning over 30 years holding senior positions at leading financial institutions globally, including CitiBank, Al Rajhi Bank and Sharjah Islamic Bank.

Mohamed Azmeer took over the leadership of the Bank in June 2014. Prior to that, as the Bank's Chief Operating Officer, he was overseeing the business functions of the Bank's Consumer, SME, Corporate and Treasury divisions. Before joining Amāna Bank, Azmeer had gained significant exposure to conventional and Islamic banking through his illustrious career, both locally and internationally, which spans over 30 years. Having commenced a career in banking at Commercial Bank of Ceylon, Azmeer's leadership progression and banking intuitiveness was a result of his overseas experience, primarily at Citibank, UAE, where he had gained the unique experience of both business and risk aspects of banking, having overseen such operations at senior levels. During such tenure, he also carried out many short overseas assignments to countries such as UK, India and Kenya, where he acquainted himself to the different dynamics and challenges specific to each business and region. At the culmination of his career at Citibank he held the position of Vice President – Risk, for UAE and Oman.

Azmeer's experience also includes 'startups' where he was a founder member of the erstwhile Dubai Bank which was established at the direction of the Dubai Government.

Azmeer's journey towards Islamic banking was a result of him wanting to have this nascent but people friendly concept accepted and embraced by a wider audience. In the field of Islamic banking, Azmeer's track record involved holding senior positions at Al-Rajhi Bank Saudi Arabia, the largest and leading Islamic Bank in the world and Sharjah Islamic Bank, a pioneering bank in UAE and the first Islamic bank in the world to fully convert its operations from being a conventional entity, in which he was an Executive Vice President.

Azmeer has served on the Boards of Sri Lanka Banks' Association (Guarantee) Ltd., LankaClear, the national payment and clearing association of Sri Lanka, and was the Chairman of the Financial Ombudsman Sri Lanka (Guarantee) Ltd. Azmeer holds a Master's Degree in Business Administration from the University of Leicester, UK. Utilising his sound knowledge and wide experience, Azmeer has played a key role in guiding Amāna Bank towards the success it has reached thus far.

OTHER CURRENT DIRECTORSHIPS - 2 COMPANIES

Unlisted Companies

Chairman/Non-Executive Capacity

- ❖ Better Space Holdings (Pvt) Ltd.
- ❖ Better Space Properties (Pvt) Ltd.

03. KHAIRUL MUZAMEL PERERA BIN ABDULLAH

Non-Executive, Senior Independent Director

DATE OF APPOINTMENT

8 June 2023

Senior Independent Director with effect from 23 January 2025

COMMITTEE MEMBERSHIP

Chairman

- ❖ Board Integrated Risk Management Committee

Member

- ❖ Board Nomination and Governance Committee

QUALIFICATIONS, EXPERTISE AND EXPERIENCE

Khairul Muzamel Perera has over 35 years of banking related experience in Malaysia, including stints at a credit rating agency and a national asset management institution. He retired from Bank Islam Malaysia Berhad (BIMB) in October 2022, having served as the Group Chief Credit Officer (GCCO) overseeing the Credit Management Division at BIMB. His key function as the GCCO was to manage the asset quality of the bank which he undertook by overseeing the credit analysis function (pre-approval transactional credit), credit analytics (model development and maintenance – retail and non-retail) the central financing processing function which handled the end-to-end processing and approval of all retail financing and the Valuation unit which oversees all collateral valuations in the Bank. He Chaired the Financing Committees and the Underwriting & Investment Committee in the Bank.

Arising from his involvement as the Bank's representative in the Joint Committee for Climate risk management spearheaded by Bank Negara, he initiated the development of an Environmental Social and Governance (ESG) Framework to introduce the assessment of Climate related risks in the credit risk process in line with Bank Negara's Climate Change Principles based taxonomy and set up an ESG unit in the Bank to oversee the introduction of ESG risks and its impact on the Bank's financing portfolio.

He is currently the Chairman (Independent) of the Investment Committee of BIMB Investment Management Berhad, a wholly owned Fund Management subsidiary of the Bank. A Chartered Company Secretary by profession, Khairul is an Associate Member of the Institute of Chartered Secretaries & Administrators, London and a Chartered member of the Chartered Institute of Islamic finance professionals, Malaysia.

OTHER CURRENT DIRECTORSHIPS

None

04. DILSHAN HETTIARATCHI

Non-Executive, Non-Independent Director

DATE OF APPOINTMENT

31 May 2016

Senior Independent Director

(11 January 2023 to 1 February 2024)

COMMITTEE MEMBERSHIP

Chairman

- ❖ Board Credit Committee

Member

- ❖ Board Human Resources and Remuneration Committee
- ❖ Board Related Party Transaction Review Committee

QUALIFICATIONS, EXPERTISE AND EXPERIENCE

Dilshan Hettiaratchi is a Partner/ Managing Director of Faber Capital Limited which is an investment banking firm headquartered in Dubai. The firm specialises in Capital Markets, Renewable Energy and Advisory opportunities. He has over 25 years of banking and financial markets experience. Prior to joining Faber Capital, he was the Managing Director and Head of Debt Capital Markets - MENA and Pakistan for Standard Chartered Bank. In this role he advised many high profile issuers from the Middle East such as The Government of Dubai, The Government of Ras Al Khaimah and other Corporates and Financial Institutions from the ME region to tap the International Bond and Sukuk markets. Prior to joining SCB, he worked with Citi National Investment Bank, which was the investment banking arm of Citibank and NDB based in Colombo, as well as at Waldock Mackenzie Limited which was the investment banking arm of John Keells Holdings. He is a Director of Asset Trust Management Limited, which is a SEC regulated Asset Management Company.

He was also a Steering Committee member of the Gulf Bond and Sukuk Association (GBSA), and the Chair of the Government Bond issuance committee in 2011. He has been a speaker/panellist at a number of industry conferences in Debt Markets over the last few years.

He holds an MBA from the University of Colombo, is a CFA Charter Holder and is an ACMA (UK).

OTHER CURRENT DIRECTORSHIPS – 12 COMPANIES

Unlisted Companies

Executive Capacity

- ❖ Premier Solar Lanka (Pvt) Ltd
- ❖ Preserving Land and Nature (Guarantee) Limited

Non-Executive Capacity

- ❖ SC Securities (Private) Limited
- ❖ Asset Trust Management (Private) Limited
- ❖ Faber Capital Lanka (Private) Limited
- ❖ Faber Capital DIFC
- ❖ Southern Gammiris Lanka (Pvt) Ltd
- ❖ Last Mile Delivery (Private) Limited
- ❖ Boda Boda (Private) Limited
- ❖ Wealth Lanka Management (Private) Limited
- ❖ Premier Solar Group Ltd.

Listed Companies

Non-Executive, Independent Capacity

- ❖ WindForce PLC

05. MOHAMMED ATAUR RAHMAN CHOWDHURY

Non-Executive, Non-Independent Director

DATE OF APPOINTMENT

16 January 2018

COMMITTEE MEMBERSHIP

Member

- ❖ Board Integrated Risk Management Committee
- ❖ Board Audit Committee
- ❖ Board Human Resources and Remuneration Committee
- ❖ Board Nomination and Governance Committee

QUALIFICATIONS, EXPERTISE AND EXPERIENCE

Mr. Mohammed Aatur Rahman Chowdhury is a seasoned financial sector specialist, having spent more than 20 years across in the Financial Institutions domain covering multiple geographic regions across Middle East, North Africa, West Africa, Central Asia and Southeast Asia. His diversified experience was spent mostly in senior roles in direct financing, investment banking, commercial banking, FI equities, board representations and turning around financial institutions. Joined in 2007, at present, Mr. Chowdhury is Acting Director, Equity Department & Head of Banking Investments at Business Solution Complex at the Islamic Corporation for the Development of the Private Sector (ICD); the private sector arm of the Islamic Development Bank (IsDB) Group providing strategic direction, advice and financial solution to investees and partner institutions across banking, Ijarah (Leasing), mortgage financing, takaful, liquidity management and investment company operations to become profitable and sustainable. Prior to that, Mr. Chowdhury, at various capacity under equity operations, led

establishments and formulating strategies of more than 15 Islamic Financial Institutions with aggregate portfolio of nearly USD 260 million.

He is an experienced and veteran board member with proven track of transforming financial institutions from loss making into profitable. He has joined the Board of Taiba Finance in Uzbekistan in April 2022. He is a former Board member in Maldives Islamic Bank Limited for the period 2012-2022 and played vital roles in the foundation, growth, and public listing stage of the bank. Briefly, Mr. Chowdhury also worked as Adviser, Financial Institutions for The European Bank for Reconstruction and Development (EBRD) in London, UK on secondment from ICD.

Mr. Chowdhury's professional career, preceding his ICD tenor, included 7 years in Bangladesh's financial sector, holding the roles of: Corporate Relationship Manager in Commercial Bank of Ceylon Limited (Bangladesh operation), Investment Manager in IPDC (the first Development Financial Institution in the country) and Senior Investment Analyst in BRAC-EPL (a premier investment bank in the country).

A well-learned individual, Mr. Chowdhury holds an MBA in Finance from IE Business School, Spain, and another MBA in Finance & Accounting from North South University, Bangladesh. He has also earned a Diploma in Board Certification of Company Direction from the Institute of Directors, United Kingdom.

OTHER CURRENT DIRECTORSHIPS

None

06. SYED MUHAMMED ASIM RAZA

Non-Executive, Non-Independent Director

DATE OF APPOINTMENT

20 October 2018

COMMITTEE MEMBERSHIP

None

QUALIFICATIONS, EXPERTISE AND EXPERIENCE

Syed Muhammed Asim Raza has over thirty-seven years of diverse experience in the banking and engineering industries at the senior management level. He is well versed in all aspects of public and private sector projects and equity financing including identification, preparation, due diligence, implementation, and post implementation activities. He has vast experience in remedial asset management which involves the recovery of classified portfolio through restructuring, liquidation, and litigation activities. Currently attached to the Islamic Development Bank Group (IsDB), Mr. Raza is involved in developing the enabling environment for the trusts and endowments sector in OIC member and non-member countries; providing technical assistance for capacity building, regulatory and institutional development. He is deeply involved in the development of new endowments as well as the establishment of commercial real estate projects on idle endowment land for transforming them into revenue generating asset. Currently, he is supervising the global projects portfolio of more than US\$ 300 million. Prior to joining IsDB, Mr. Raza worked in Pakistan and served on various senior

positions at different financial institutions. He served as Vice President at Muslim Commercial Bank and Atlas Investment Bank Limited. He worked for twelve years with the National Development Finance Corporation, which was mandated for the development of infrastructure projects in Pakistan. Mr. Raza holds a bachelor degree in Mechanical Engineering and a Master in Business Administration. He is a member of various Engineering Councils and Institutes and has represented IsDB as a speaker at various prestigious forums and conferences.

OTHER CURRENT DIRECTORSHIPS

None

07. TISHAN SUBASINGHE

Non-Executive, Independent Director

DATE OF APPOINTMENT

26 August 2020
Senior Independent Director
(1 February 2024 to 23 January 2025)

COMMITTEE MEMBERSHIP

Chairman

- ❖ Board Audit Committee
- ❖ Board Related Party Transaction Review Committee

QUALIFICATIONS, EXPERTISE AND EXPERIENCE

Tishan Subasinghe, is a Fellow and Vice President of the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and an Attorney-at-Law. He is the Managing Director and Joint Managing Partner of Moore Consulting (Private) Limited and Moore Aiyar respectively. Before that he was the Head of Audit and Assurance at BDO Partners. He is also the Chairman of Sanasa General Insurance Company Limited and is also a Council Member of the University of Moratuwa. His profession also expanded overseas where he had work experience with PricewaterhouseCoopers (PwC) in New York, Philadelphia, Chicago, and Botswana spanning several years. As a member of CA Sri Lanka, Tishan has served as the Chairman of the Annual Report Awards Committee, National Conference Committee, and Examinations Committee. He also held the post of Vice President of the Young Chartered Accountants Forum (YCAF). Tishan is a Certified Information Systems Auditor

(CISA-USA) and has an MBA in Finance from the University of Colombo with a Gold Medal and has earned an LLB (Hons.) degree from the Buckinghamshire New University. He is also a visiting lecturer at several Government Universities and has also conducted international training in Maldives and Bhutan. He is a board member of the South Asian Federation of Accountants (SAFA) and the Confederation of Asian and Pacific Accountants (CAPA). He is also a Council member of the University of Moratuwa.

OTHER CURRENT DIRECTORSHIPS – 6 COMPANIES

Unlisted Companies

Non-Executive, Non-Independent Capacity

- ❖ Sanasa General Insurance Company Ltd.

Executive Capacity

- ❖ Moore Consulting (Private) Limited
- ❖ Moore Aiyar
- ❖ Moore LPO Services (Pvt) Ltd.

Listed Companies

Non-Executive, Independent Capacity

- ❖ Kapruka Holdings PLC
- ❖ Samsons International PLC

08. MOHAMED ADAMALY, PC

Non-Executive, Non-Independent Director

DATE OF APPOINTMENT

27 August 2020

COMMITTEE MEMBERSHIP

Member

- ❖ Board Credit Committee

QUALIFICATIONS, EXPERTISE AND EXPERIENCE

Mohamed Adamaly, President's Counsel, is a leading legal professional in Sri Lanka having a wide Civil Law practice in the Original Courts and Appellate Courts, with a focus on Commercial Law, Labour Law, Insurance Law, and Banking & Credit related laws. Adamaly also specializes in Investment Advisory, Business Set-up/Restructuring Services and Corporate Acquisitions. Adamaly graduated from the Faculty of Law University of Colombo with Honours while also achieving First Class Honours from the Sri Lanka Law College before being admitted as an Attorney-at-law of the Supreme Court of Sri Lanka in 1994. He was recently appointed as President's Counsel. Adamaly has served as a visiting lecturer at the University of Colombo and at the Sri Lanka Law College. He also holds a Postgraduate Diploma in Marketing from the Chartered Institute of Marketing (CIM UK) and is a leading lecturer for CIM and formerly for CIMA, in Sri Lanka. In view of his combined legal, marketing and business expertise, Adamaly holds and has held directorships in several public and private companies including in the David Peiris Group, Bogala Graphite Lanka PLC, Assetline Leasing Company Limited and Sinwa Holdings Limited. Adamaly is also a leading thespian and cinema personality in

the country and has received the National TOYP Award for his contribution to Drama and Literature.

OTHER CURRENT DIRECTORSHIPS – 11 COMPANIES

Unlisted Companies

Executive Capacity

- ❖ Synergy Plus (PTE) Limited
- ❖ Palm Stone (Pvt) Limited
- ❖ Soul Resorts (Pvt) Limited
- ❖ Monad (Pvt) Limited
- ❖ Monad Corporate Services (Pvt) Limited
- ❖ S A A Lanka (Pvt) Limited
- ❖ Adamantium Investments (Pvt) Limited

Non-Executive, Non-Independent Capacity

- ❖ Blue Sky Luxury Apartments (Pvt) Limited
- ❖ Assetline Lands (Pvt) Ltd.

Independent, Non-Executive Capacity

- ❖ David Pieris Holding (Pvt) Ltd.
- ❖ Assetline Holdings (Pvt) Ltd.

09. MOHAMMAD HASSAN

Non-Executive, Non-Independent Director

DATE OF APPOINTMENT

18 January 2023

COMMITTEE MEMBERSHIP

None

QUALIFICATIONS, EXPERTISE AND EXPERIENCE

Mohammad Hassan has over 16 years of extensive experience across the Islamic banking and asset management industry in both equity and fixed income investing. He has a deep understanding and is well-versed in financial statement analysis particularly relating to valuation of equity and fixed income instruments as well as utilizing tools such as Bloomberg and S&P Capital IQ to build comparable companies and transaction models.

Hassan is currently attached to ICD, the private sector arm of the Islamic Development Bank (IsDB) Group as the Principal of the Banking Equities Department. As a part of his role, Hassan oversees the private equity portfolio of investee banks spread across 8 countries while also involved in reviewing financial models and business plans for potential new investee banks working closely with C-level management of each bank to optimize business strategy in the context of regulatory and macroeconomic developments. Prior to this Hassan was associated as a Co-Portfolio Manager for ICD's fixed income funds including the ICD

Money Market Fund and ICD Corporate Premium Fund, 2 high-yield income funds currently having more than \$300 million under management. As part of his Asset Management role in ICD, Hassan was also responsible to many notable fixed income investments and private placements. Prior to joining the IsDB Group, Hassan's professional career included over 5 years in Pakistan's financial sector, including holding the roles of Manager – Business Internal Controls and Money Market Dealer in Burj Bank, Relationship Manager in Bank Al-Falah and Relationship Associate at Meezan Bank. Hassan is a Chartered Financial Analyst and holds a Bachelor of Science Degree in Industrial Engineering and Management Science from North Western University, USA.

OTHER CURRENT DIRECTORSHIPS

None

10. DELVIN WILLIAM PEREIRA

Non-Executive, Independent Director

DATE OF APPOINTMENT

28 March 2024

COMMITTEE MEMBERSHIP

Chairman

- ❖ Board Human Resources and Remuneration Committee

Member

- ❖ Board Nominations and Governance Committee
- ❖ Board Integrated Risk Management Committee
- ❖ Board Related Party Transaction Review Committee
- ❖ Board Credit Committee

QUALIFICATIONS, EXPERTISE AND EXPERIENCE

Delvin Pereira is a highly skilled professional banker with over 35 years of experience, counting 15 years in senior management. He commenced his career at the Commercial Bank of Ceylon Ltd. in 1985 and thereafter joined the Seylan Bank, where he ascended the corporate hierarchy, progressing from a branch manager to a regional manager, attaining the position of Deputy General Manager. In this role, he provided dynamic leadership, comprehensive training, and invaluable guidance to a team of over 200 managers, steering them towards the achievement of the organization's business objectives. His wide range of managerial experience ranges from credit analysis and credit management to SME and Retail banking, Consumer Financing, risk management, trade, and branch business banking. In the process, he has developed a range of management skills covering credit, risk, human resource, trade, operational

banking, sales and marketing, service quality, project management, and delinquency which have all been used positively towards the success and growth of his organization. Further, he has excelled in trade finance, skilfully underwriting trade finance credit lines, and fostering international trade and global partnerships. He was also responsible for setting up the bank's factoring division.

Mr. Pereira honed his extensive banking skills by participating in specialized overseas training programmes that covered diverse facets of banking and finance. These included Project Finance, SME and Microcredit, Corporate Finance, Risk Management, Banca-assurance, IFRS/IAS accounting standards, as well as international money laundering and anti-money laundering practices. His enriching learning experiences took place during workshops held in prominent locations such as Singapore, Malaysia, India, and the Philippines. He also actively represented Seylan Bank PLC at conferences, such as the Asian Bankers Conference in Mumbai, India, in 2004, and the Asia Pacific Banca-Assurance Conference in Manila in 2018. He possesses a Master's in Business Administration from the prestigious University of Western Sydney in Australia, complemented by the esteemed qualification of Certified Management Accountant Australia. He is also a member of the Association of Professional Bankers Sri Lanka.

During his tenure, he served on several committees supporting the governance of the organization, which include the Assets and Liabilities Management Committee (ALCO), Integrated Risk Management Committee, Credit Committee, and Procurement Committee, among others. In

risk management, he played a pivotal role in formulating and executing a comprehensive Credit Risk Management (CRM) policy and Customer Credit Rating framework, ensuring regulatory compliance and sound risk practices. Additionally, his project management skills were evident as he led the successful implementation of the BASEL II risk management framework and the Movement Account Delinquency Management programme. He also contributed to the adoption of IAS/IFRS accounting standards by serving on its committee as an active member.

Beyond his professional career, Mr. Pereira has been an active social worker serving the Rotary Organization since 1994. He has held significant leadership positions within Rotary International District 3220 comprising Sri Lanka and the Maldives, and in recognition of his contributions towards community service, he was unanimously elected to serve as District Governor for Sri Lanka and Maldives for the period 2025/26.

OTHER CURRENT DIRECTORSHIPS - 1 COMPANY

Unlisted Companies

Non-Executive Capacity

- ❖ Highbrow International (Private) Limited

11. MOHAMED ZAHEER MOHAMED AZREEN

Non-Executive, Independent Director

DATE OF APPOINTMENT

20 July 2024

COMMITTEE MEMBERSHIP

Chairman

- ❖ Board Nominations and Governance Committee

Member

- ❖ Board Audit Committee
- ❖ Board Related Party Transactions Review Committee
- ❖ Board Human Resources and Remuneration Committee

QUALIFICATION, EXPERTISE, AND EXPERIENCE

Azreen is a Fellow Member of the Institute of Chartered Accountants (ICASL) of Sri Lanka, a Fellow Member of the Institute of Certified Management Accountants (ICMA) of Sri Lanka, an Associate Member of the Chartered Institute of Management Accountants (CIMA) UK, and is a Certified Risk Analyst (CRA).

Azreen started his career in 1991 at KPMG in Colombo, Sri Lanka, and moved to Ernst & Young ("EY"), Bahrain Office in October 1996. In 1999, he joined Kuwait Finance House, Kuwait ("KFHK"), the second largest Islamic Bank in the world, and held various senior positions including managing the unit that evaluates the performances of banking subsidiaries.

In 2011, Azreen was appointed as the Non-Independent/Non-Executive Director (NINED) of Kuwait Finance House Malaysia Berhad. He held various Board responsibilities including Chairing the Board Transformation Steering Committee (BTSC) where he worked with international consultants in restructuring

the Bank's portfolio and developing and implementing a new credit underwriting guideline. Azreen developed a special product called Profit Sharing Investment Account (PSIA) that minimized the adverse impact on the performance of the bank which was unprecedented at the time was approved by Bank Negara Malaysia. During the same period, he was appointed as Director of other Malaysian subsidiaries which include an offshore bank (KFH Labuan Berhad), an asset management company (KFH Asset Management Berhad), and a leasing company (KFH Ijarah House).

Azreen was re-appointed as an Independent/Non-Executive Director of Kuwait Finance House (Malaysia) Berhad ("KFHMB") on 1 March 2020. Currently, he serves as Chairman of the Board Audit Committee and the Board Nomination and Remuneration Committee.

Azreen is currently the Chief Executive Officer of Frontier Advisory (Pvt.) Ltd, a company that provides a range of advisory services on accounting, tax, and business-related matters.

OTHER CURRENT DIRECTORSHIPS – 7 COMPANIES

Unlisted Companies

- ❖ Afadamad (Pvt) Ltd.
- ❖ Frontier Secretarial House (Pvt) Ltd.
- ❖ PT Indo Rempah Commodities
- ❖ Spillburg Holding (Pvt.) Ltd.
- ❖ Frontier Advisory (Pvt) Ltd.
- ❖ Transco Cargo Limited
- ❖ Kuwait Finance House (Malaysia) Berhad

12. SHAHEELA SHIBLY

Company Secretary

DATE OF APPOINTMENT

3 June 2024

Shaheela Shibly was appointed as the Company Secretary of Amāna Bank PLC on 3 June 2024. She is also the Secretary to the Board Nominations and Governance Committee, and Board Related Party Transactions Review Committee.

Her professional experience as a Chartered Secretary began in 2010 at the Company Secretarial arm of the Paul Ratnayake Associates, Attorneys-At-Law, where she was responsible for managing multiple clients including a finance company, listed companies, and private/public companies. Before joining Amāna Bank PLC, she held the position of Senior Assistant Company Secretary of Merchant Bank of Sri Lanka & Finance PLC, a fully owned subsidiary of the Bank of Ceylon, for nine years. She also held the position of Assistant Company Secretary at Amāna Bank PLC for a period of one year prior to her appointment as the Company Secretary

A past pupil of Methodist College, Colombo 03, Shaheela Shibly is a Member of The Chartered Governance Institute, UK & Ireland, and is a Graduate of the Institute of Chartered Corporate Secretaries (ICCS) of Sri Lanka. She holds a Master's in Business Administration (MBA) from The University of West London, UK, and is a holder of Digital Governance Professional certificate. Additionally, she serves as a committee member of the Sri Lankan branch of The Chartered Governance Institute.

INDEPENDENT SHARIA SUPERVISORY COUNCIL

ASH-SHEIKH DR. MUFTI MUHAMMAD IMRAN ASHRAF USMANI

Chairman, Sharia Supervisory Council

Sheikh Dr. Mufti Muhammad Imran Ashraf Usmani, son of Justice (Retd.) Mufti Muhammad Taqi Usmani, graduated with specialisation in Islamic Fiqh (Islamic jurisprudence) from Jamia Darul-Uloom, Karachi, where he has been teaching Fiqh since 1990. He also holds an L.L.B and Ph.D. in Islamic Finance. He is a Vice President of Jamia Darul-Uloom, Karachi.

Presently Dr. Imran Usmani is the Group Head and Vice Chairman of Shariah Supervisory Board at Meezan Bank Ltd and is responsible for Research and Product Development of Islamic Banking products, advisory for Sharia-compliant banking and supervision of Sharia Audit & Compliance. He is also the President and CEO of Usmani & Co. Pvt. Ltd that provides a full suite of Islamic Finance consultancy, Shariah advisory and related ancillary services to local and international clients across all legal jurisdictions and financial & non-financial sectors.

Dr. Imran Usmani has been involved with the Government of Pakistan in various initiatives and is also a member of the Steering Committee and Implementation Committee for promotion of Islamic Banking since 2013. Dr. Imran Usmani has served as an advisor/member of Sharia Boards of several renowned institutions in various jurisdictions since 1997 including the State Bank of Pakistan, Takaful Pakistan Ltd., Pakistan Mercantile Association, ICFAL– Australia, The Zeal–Canada and USA, Astana International Financial Centre –Kazakhstan, HSBC– Amānah Finance, UBS–Switzerland, Guidance Financial Group USA, Lloyds TSB Bank –UK, Japan Bank for International Cooperation (JABIC), Credit Suisse Switzerland, Royal

Bank of Scotland Global, Old Mutual Albarakah Equity & Balanced Funds South Africa, AIG Takaful, ACR ReTakaful Malaysia, Premier Takaful Pakistan, Capitas Group USA, Bank of London and Middle East Kuwait, BMI Bank Bahrain, Al Khaliji Bank Qatar, Sarasin Bank Switzerland, AIFA–Amāna Islamic Finance Australia, DCD Group Dubai, Nafa Mutual Fund, Acumen Fund, Swip Sicave Fund, Old Mutual Al- Barakah fund and other mutual and property funds, Takaful companies and international Sukuk, etc.

He also served as an Executive Committee Member of AAOIFI (Dubai), Sharia Supervisory Board of International Islamic Financial Market (IIFM) Bahrain and Chairman of Academic Board at International Centre for Education in Islamic Finance (INCEIF)– Malaysia, Institute of Business Administration (IBA)–Centre for Excellence in Islamic Finance (CEIF), Karachi and Director at Centre for Islamic Economics (CIE), Hira Foundation School and Hira Institute of Emerging Sciences, Karachi.

Dr. Usmani is the author of numerous publications related to Islamic Finance and other Sharia related subjects. He has presented papers in numerous national and international seminars and has delivered lectures at academic institutions including Harvard, LSE, LUMS and IBA. He also has special interest in Entrepreneurship, Eco-system, Sustainable Development investments and works for different green projects.

ASH-SHEIKH MUFTI MUHAMMAD HASSAAN KALEEM

Member, Sharia Supervisory Council

Ash-Sheikh Mufti Muhammad Hassan Kaleem is a distinguished figure in the field of Islamic Finance, serving as a member of the Sharia Supervisory Council. With a strong foundation in Sharia teachings, Mufti Hassan is highly regarded as a respected Sharia Scholar within the Islamic Finance industry.

Mufti Hassan holds key positions on the Sharia Advisory Boards of several leading financial institutions, Islamic Investment Funds, and Takaful Companies. His wealth of knowledge is further enhanced by his 24-year tenure as a faculty member at Darul-Uloom Karachi, demonstrating his unwavering dedication to Islamic education. Notable roles include Vice Chairman of the Sharia Board at Dubai Islamic Bank Pakistan Limited, Sharia Board Member at the Islamic Development Bank (IsDB, Jeddah), and Chairman of the Sharia Board at Pak Qatar Takaful.

In addition, Mufti Hassan serves as a Sharia Consultant for Deloitte (Global Islamic Finance Team) and a Sharia Council Member at Al Ameen UBL Funds. His influence extends globally, with memberships on the Sharia Boards of Hanover Re-Takaful in Bahrain and Takaful Emirate in the UAE. Mufti Hassan also plays an integral role in academia as a permanent faculty member at the Center for Islamic Economics in Karachi and as a Trainer for Sharia Standards at the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) in Bahrain. He is also a trainer at the Institute of Business Administration (IBA-CEIF) and a visiting faculty member at the National Institute of Banking and Finance (NIBAF).

Mufti Hassan's expertise has been pivotal in simplifying complex aspects of Islamic finance, and he is recognized internationally for his contributions through lectures and training at conferences and seminars worldwide. His career is marked by his prior role as the Sharia Advisor of Bank Al Baraka and as the former Chairman of the Sharia Board at the Securities and Exchange Commission of Pakistan (SECP).

A true authority in his field, Mufti Hassan continues to shape the future of Islamic finance through his advisory roles, academic contributions, and global engagements.

ASH-SHEIKH MUFTI M I M RIZWE

Member, Sharia Supervisory Council

He is the most prominent Mufti of Sri Lanka, the President and Ex-officio of various committees of the All Ceylon Jamiyyathul Ulama (ACJU), which is the supreme body of Islamic theologians in Sri Lanka.

He has extensive experience in the field of Islamic financial transactions and serves in the Sharia Supervisory Board of several Islamic financial institutions and banks.

Further, he is a prominent member of a group of educational and Shari'ah councils and institutions, and a famous preacher in the most prominent mosques in Sri Lanka for more than 30 years. He had his early education in Sri Lanka and is a graduate of Jami'athul Uloomil Islamiyya, Karachi, where he specialized in Islamic Jurisprudence. He gained an MA in Arabic & Islamic Studies, which is recognized by the Higher Education Commission of Pakistan. In order to perform the educational duty while following the curriculum of the righteous predecessors in spreading the knowledge of Qur'an and Sunnah, Mufti Rizwe occupied himself with teaching Shari'ah education in some Arabic colleges in Sri Lanka. Consequently, he now has significant experience in the field of education spanning more than thirty (30) years.

Mufti Mohamed Rizwe has been a frequent traveler and has conducted and attended several programs in Asian, Middle Eastern, African, European, and North American countries in the field of advocacy, Islamic awareness, guidance, participation in international conferences, and promoting coexistence.

He has been chosen from among the most influential 500 personalities in the world since 2011 by the Islamic Strategy Study

Centre based in Amman, Jordan. The focus of his work, efforts, and continuous activities is one: Unity and peaceful coexistence. He has been working in the field of Islamic finance for a quarter of a century, and his work aims to orient society towards the right Islamic economy. He is the Chairman of the Shari'ah Supervisory Council of Amāna Takaful PLC, a member of the Shari'ah Supervisory Council of Bank of Ceylon and People's Leasing Finance, and a member of the Shari'ah Boards of several other Islamic Financial Institutions in Sri Lanka.

He previously served as a member of the Shari'ah Committee of Maldives Islamic Bank (MIB) from 2011 to 2024 providing Shari'ah guidance on Islamic Banking products and operations during his tenure.

Honoured with the title of "Rosa Mira – The Rose of the World" (Peacemaker of The Planet) at an international Islamic conference held in Kazan, Russia, in September 2023.

Mufti Rizwe participated in the UN Social Forum Conference, Geneva, and delivered a special address on the importance of religious tolerance, dialogue, and cooperation among different faiths and communities in November 2023.

Additionally, he addressed the HRC/Forum on Minority Issues at the 16th UN Minority Forum, speaking on the importance of honoring humanity, establishing peaceful coexistence, and the significance of the Madina Charter in the latter part of 2023.

PROFILES OF STRATEGIC SHAREHOLDERS



ISLAMIC DEVELOPMENT BANK

The Islamic Development Bank (IsDB) is a multilateral development bank, working to improve the lives of those it serves by promoting social and economic development in Muslim countries and communities' worldwide, delivering impact at scale. IsDB provides the infrastructure to enable people to lead better lives and achieve their full potential. It brings together 57 member countries across four continents-touching the lives of 1 in 5 of the world's population. IsDB is a global leader in Islamic Finance, with an AAA rating, and total assets of more than USD 35 billion and subscribed capital of USD 70 billion. Headquartered in Jeddah, Saudi Arabia, IsDB has 10 Regional Hubs in Abuja, Nigeria; Almaty, Kazakhstan; Ankara, Türkiye; Cairo, Egypt; Dakar, Senegal; Dhaka, Bangladesh; Jakarta, Indonesia; Kampala, Uganda; Paramaribo, Suriname; and Rabat, Morocco with a Centre of Excellence in Kuala Lumpur, Malaysia.

IsDB fosters collaboration between its members nations in a uniquely non-political environment, as it focuses on the betterment of humanity. IsDB helps enable its member countries to grow their economies and societies, so they are ready to embrace the challenges and opportunities of our modern

world. IsDB's 5 pillars of activity include (i) building partnerships between governments, the private sector and civil society through Public Private Partnerships (ii) adding value to the economies and societies of developing countries through increased skills and knowledge sharing (iii) focusing on science, technology and innovation led solutions to the world's greatest development challenges, through boosted connectivity and funding, and a focus on the UN's Sustainable Development Goals (iv) promoting global development that is underpinned by Shariah compliant long term sustainable and ethical financing structures, as global leaders in Islamic Finance (v) fostering collaboration between members nations in a uniquely non-political environment to focus on the betterment of humanity.

(<https://www.isdb.org>)



THE ISLAMIC CORPORATION FOR THE DEVELOPMENT OF THE PRIVATE SECTOR *LIMITED PARTNER OF IB GROWTH FUND (LABUAN) LLP*

The Islamic Corporation for the Development of the Private Sector (ICD) is a multilateral organization affiliated with the Islamic Development Bank (IsDB). Its authorised capital stands at USD 4 billion, of which USD 2 billion is open for subscription. Its shareholders consist of the IsDB, 56 member countries and five public financial institutions. Established during the 24th annual meeting of the IsDB Board of Governors in Jeddah in Rajab 1420H (November 1999), ICD is headquartered in Jeddah, Kingdom of Saudi Arabia.

Since its establishment in November 1999, the Islamic Corporation for the Development of the Private Sector (ICD) has consistently centered its efforts on fostering inclusive and dynamic growth through private sector development.

ICD's mission complements the Islamic Development Bank's (IsDB) role by actively developing and promoting the private sector in compliance with Shariah principles as a

catalyst for enhancing economic growth and prosperity. With a vision of being a leading Islamic multilateral financial institution dedicated to this purpose, ICD stands committed to driving sustainable and thriving economies in its member countries.

As the private sector arm of the Islamic Development Bank (IsDB) Group, ICD aligns its objectives with the principles of Shariah, aiming to: i) identify growth-oriented opportunities and initiatives within the private sector, ii) offer an extensive array of productive financial products and services for private sector development, iii) mobilize supplementary resources for the private sector in member countries, and iv) promote the advancement of Islamic financial and capital markets.



AKBAR BROTHERS (PVT) LIMITED

Akbar Brothers is Sri Lanka's largest exporter of tea and one of the country's leading diversified conglomerates. Since its inception in 1969, the family-owned business has expanded into various sectors, including sustainable power generation, healthcare, packaging, property development, and environmental services. The company prides itself on its commitment to product quality, ethical business practices, and responsible treatment of all stakeholders.

With over 30 years as the world's largest exporter of Ceylon tea, Akbar Brothers has built a strong legacy of excellence. The group has earned numerous prestigious awards, including 40+ Sri Lankan Presidential Export Awards and recognition as Sri Lanka's Most Globally Outreached Brand, cementing its position as a leader in both the tea industry and beyond.

With an eye to the future and innovation, Akbar Brothers is committed to expanding its focus on sustainable solutions. Its growth and success can be attributed to a strong foundation of integrity and an unwavering dedication to delivering the highest quality products and services to business partners and clients around the world.

SENTHILVERL HOLDINGS (PVT) LTD

SENTHILVERL HOLDINGS (PVT) LTD

Senthilverl Holdings (Pvt) Ltd is a Sri Lankan investment holding company with diverse interests across multiple sectors. Headquartered in Colombo, Senthilverl Holding has built a robust portfolio over the decades. Founded by renowned high-net-worth investor and medical professional Dr. T Senthilverl, Senthilverl Holdings (Pvt) Ltd is an active investment firm on the Colombo Stock Exchange, with a diverse portfolio spanning energy, finance, food & beverage, real estate, consumer services & retail, and plantations. Their strategic investments have positioned Senthilverl Holdings as a key player in Sri Lanka's investment and corporate landscape.

MANAGEMENT COMMITTEE



MOHAMED AZMEER
Managing Director/CEO



IMTIAZ IQBAL
Chief Operating Officer



M. M. S. QUVYLIDH
Senior Vice President | Chief Risk Officer



AJMAL NALEER
Senior Vice President | Chief Compliance Officer



M. ALI WAHID
Senior Vice President | Chief Financial Officer



SIDDEEQUE AKBAR
Vice President - Retail Banking & Marketing



IRSHAD IQBAL
Vice President - Business Banking



FAZLY MARIKAR
Vice President - Strategy Management



NUMAIR CASSIM
Chief Internal Auditor



MOHAMED KIYASUDEEN

Chief Information Officer



HARINDRA OBEYSEKERE

*Vice President – Treasury & Financial
Institutions*



SULANI DAYARATNE

Head of Legal



ASH-SHEIKH NAZHAN NAUROOZ

Head of Sharia Supervision



HILUFA AGEES

Head of Human Resources

ASSISTANT VICE PRESIDENTS



CHAMINDA DE SILVA
Assistant Vice President - SME Banking



ARSHAD JAMALDEEN
Assistant Vice President - Deposits & Digital Innovation



RAMAKRISHNAN KIRUBAKARAN
Assistant Vice President – Head of Credit Risk



RAJENDRA JAYASINGHE
Assistant Vice President - Corporate Banking



AZAM AMEER
Assistant Vice President – Business Proposition and Central Region



ARSHAD ADHMAN
Assistant Vice President – SME and Regional Branches

SENIOR MANAGERS



RIZAH ISMAIL
Head of Remedial Management



NIYAZ ABOOBUCKER
Head of Equity Trading



SANJEEWA FONSEKA
Head of Learning & Development



AZAD ZAHEED
Head of OrphanCare



RUZAIK JAMEEL
Head of Branch Operations



AZIM RALI
Head of Marketing & Corporate Communications



NIZATH MUSTAPHA
Head of Digital Development & Automation



UDARA KODIPPILI
Head of Emerging Corporates – Western Region



SHEEREEN JAIN
Senior Manager – Talent Acquisition

Senior Managers *Contd.*



NISHATH NAWAZ
Head of Business - Pettah Branch



ASLAM SHABDEEN
Senior Manager - Finance



JISTHI MOHAMED
Head of Trade and Large Corporates



SHAREEF AYUBKHAN
Senior Manager - Legal



A SPECTRUM OF GROWTH IN INNOVATION

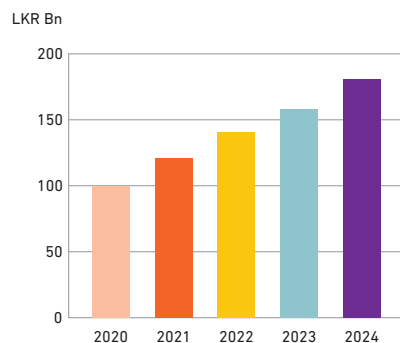
With customer-centric solutions, Amāna Bank enhances convenience, accessibility, and value, shaping the future of people-friendly banking.

FINANCIAL HIGHLIGHTS

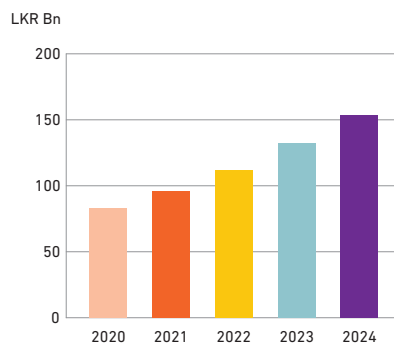
	2024	2023	Change %
Operating Results for the Year - LKR '000			
Financing Income	15,399,562	17,238,373	(11)
Financing Expenses	8,525,273	10,743,450	(21)
Total Operating Income	8,689,645	9,210,525	(6)
Total Operating Expenses	4,609,014	3,871,072	19
Operating Profit Before VAT on Financial Services & Social Security Levy	3,791,018	3,218,710	18
Profit Before Tax	2,786,843	2,312,191	21
Profit for the Year	1,774,666	1,386,776	28
Assets and Liabilities - LKR '000			
Total Assets	182,336,808	159,451,776	14
Advances	111,301,849	89,658,060	24
Deposits	154,405,710	132,937,607	16
Shareholders' Funds	22,841,860	21,696,584	5
Key Ratios - %			
Net Financing Margin	4.0	4.3	
Return on Assets	1.6	1.5	
Return on Equity	8.0	7.7	
Dividend Yield	4.9	5.2	
Dividend Pay Out Ratio	37.3	24.1	
Impaired Financing and Advances (Stage 3) Ratio	1.3	1.5	
Impairment (Stage 3) to Stage 3 Financing and Advances Ratio	59.6	56.5	
Investor Information - LKR			
Net Assets Value Per Share	41.45	39.37*	
Market Value Per Share - as at 31 December	24.50	2.30	
Earnings Per Share - Basic	3.22	2.52	
Earnings Per Share - Diluted	3.22	2.52	
Dividend Per Share	1.20	1.20*	
Regulatory Ratios - %			
Capital Adequacy Ratios			
- Common Equity Tier 1 Capital Ratio (Minimum Requirement - 7%)	15.0	16.5	
- Tier I Capital Ratio (Minimum Requirement - 8.5%)	15.0	16.5	
- Total Capital Ratio (Minimum Requirement - 12.5%)	17.6	19.3	
Leverage Ratio (Minimum Requirement - 3%)	10.6	11.6	
Liquidity Coverage Ratio - %			
Rupee (Minimum Requirement - 100%)	368.5	300.0	
All Currency (Minimum Requirement - 100%)	252.8	234.9	
Net Stable Funding Ratio (Minimum Requirement - 100%)	129.4	187.8	

* During the year, the Bank consolidated its shares in the ratio of every existing Ten (10) shares in to One (1) share. In view of this, the Net Asset Value per Share and Dividend Per Share for 2023, has been suitably adjusted for better comparability.

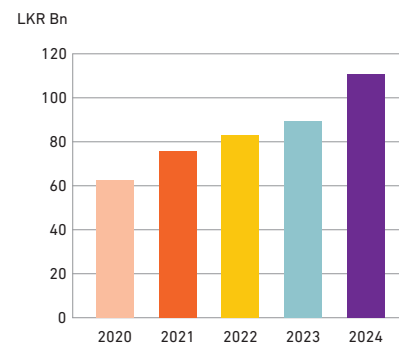
Total Assets



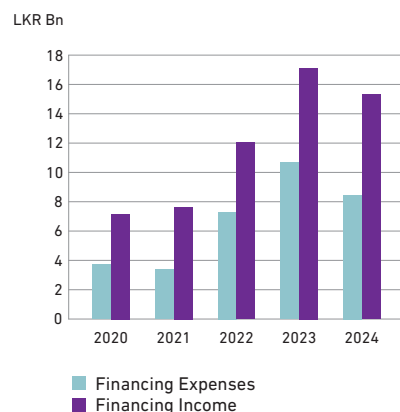
Deposits



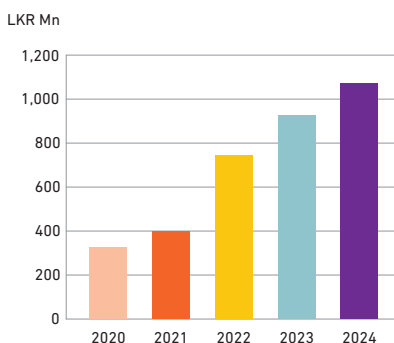
Advances



Financing Income and Financing Expenses



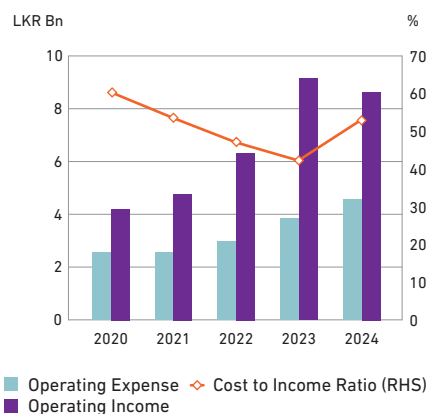
Net Fee and Commission Income



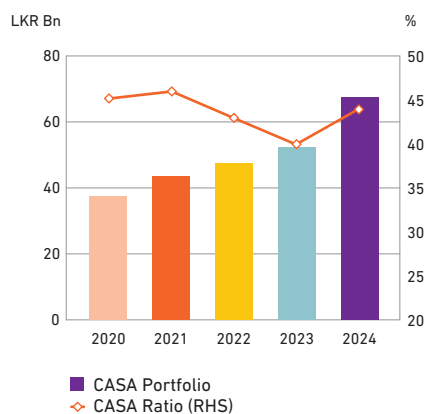
Financing Income & Financing Expenses



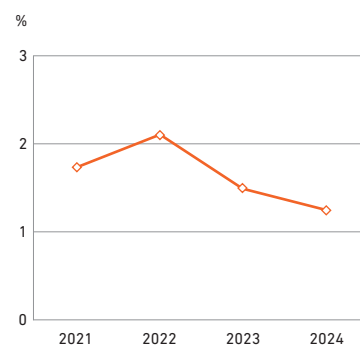
Operating Income & Operating Expenses



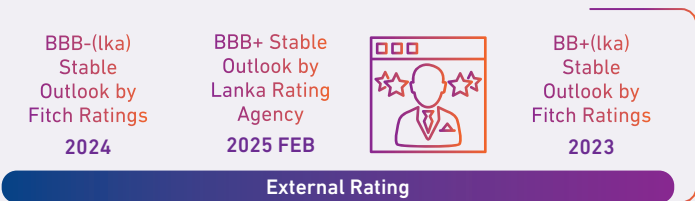
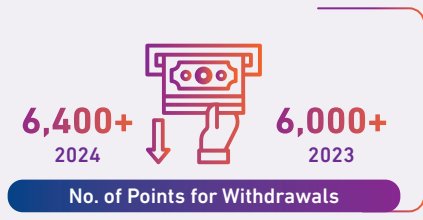
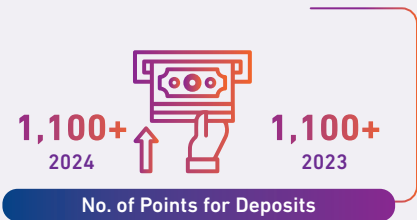
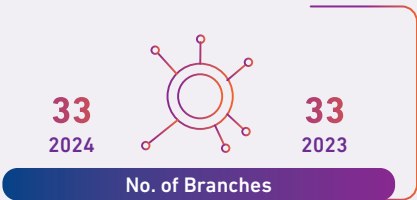
Current Account & Savings Account (CASA)



Stage 3 Impaired Financing Ratio

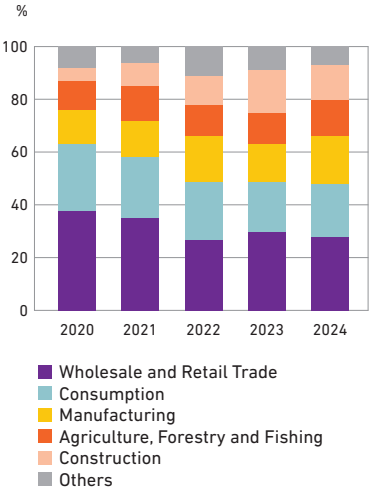


NON-FINANCIAL HIGHLIGHTS



CONTRIBUTION TO NATIONAL DEVELOPMENT

Key Economic Sectors Supported



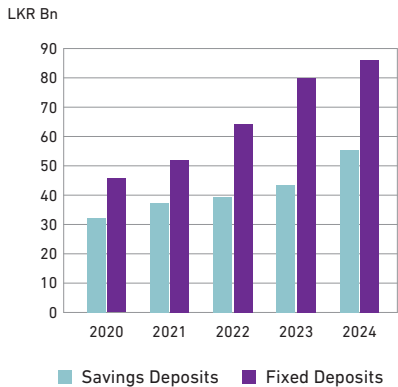
Growth in Advances by Segment



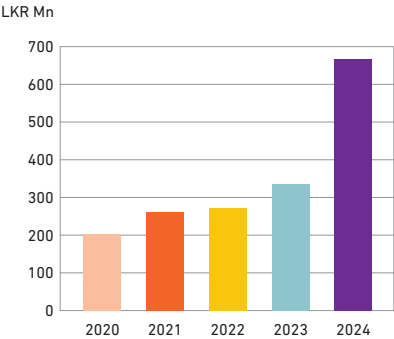
Trade Business



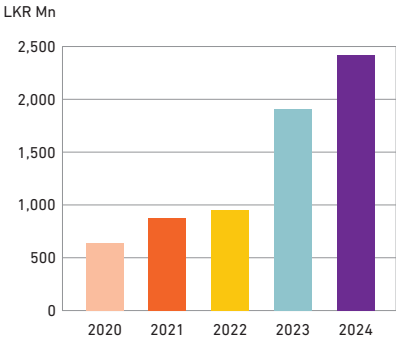
Savings & Fixed Deposits



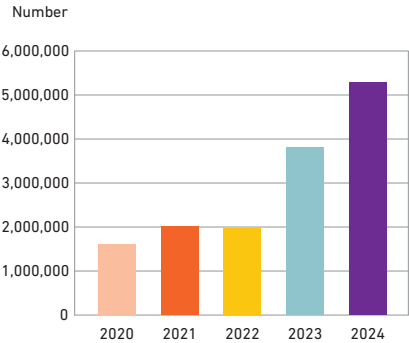
Cash/Script Dividend Paid to Shareholders



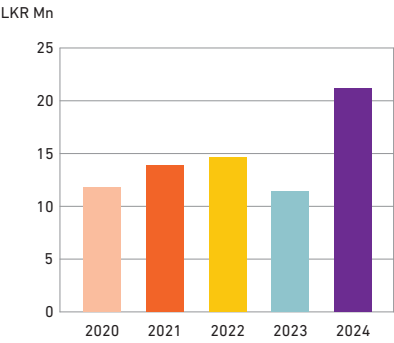
Taxes Paid



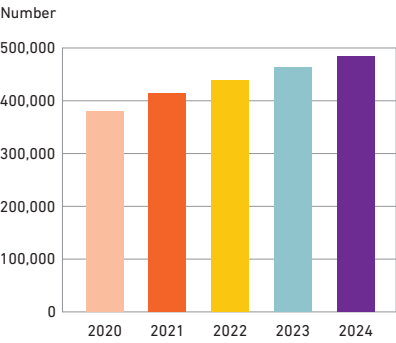
Digital Transactions



OrphanCare Distribution



Customer Outreach



EVENT HIGHLIGHTS

JANUARY



'My Future, My Dream' all-island trilingual essay competition award ceremony



Amāna Bank welcomes Gelioya Self Banking Centre to its growing network



Financial Literacy program for University of Colombo

FEBRUARY



Amāna Bank opens Self Banking Centre in Atulugama



Amāna Bank Partners Sri Lanka first ever Climate Summit 2024

FEBRUARY



Financial Literacy Programme for JZ Apparel (PVT) LTD



Amāna Bank collaborates with the University of Colombo to mark World Water Day

APRIL



Amāna Bank opens Kekirawa Self Banking Centre



Amāna Bank refurbishes Child & Adolescent Mental Health Clinic of Kalubowila Hospital

MAY



Amāna Bank empowers South Eastern University Students with Industry Training



Amāna Bank at Femina Women's Expo 2024



Financial Literacy programme for S. Thomas College, Mount Lavinia

JUNE



Amāna Bank collaborates with Havelock City to offer people friendly apartment financing



Amāna Bank Relocates Puttalam Branch to a New and Improved Location

JULY



Amāna Bank joins Central Bank of Malaysia's Global Forum on Islamic Economics and Finance



Amāna Bank joins ISDB Annual Meeting and Private Sector Forum in Riyadh



Amāna Bank recognised for 'Best Common ATM Enabler' at LankaPay Technnovation Awards



Amāna Bank conducts Women Empowerment program for Araliya Uyana Society

SEPTEMBER



Amāna Bank opens Self Banking Centre at ICST University Park in Punanai



Amāna Bank supports Royal College Capital Market Club



Amāna Bank's Self-Banking services expand to Kattankudy Beach Road

AUGUST



Amāna Bank honors Top Performers at Amāna Bank Awards 2024



Amāna Bank upgraded by Fitch to BBB-(Ika) Investment Grade with Stable Outlook



Amāna Bank commences Executive Leadership Development Programme



Financial Literacy programme for Sirimavo Bandaranaike National School - Matale

OCTOBER



Amāna Bank celebrates World Children's Day



Amāna Bank supports Kebitigollewa Solar Power Project, promoting green energy and women empowerment



Amāna Bank Self-Banking Centre opening in Elabadagama

NOVEMBER



Amāna Bank and IBSL team up to provide hands-on experience for banking students



Amāna Bank joins hands with Biodiversity Sri Lanka to restore Mangrove Ecosystems



Amāna Bank recognised at 2nd ICC Emerging Asia Banking Awards



Amāna Bank triumphs at SLIBFI Awards 2024 with Gold for Entity of the Year



Financial Literacy programme for Sri Jayawardanapura University



Amāna Bank opens Irakkamam Self Banking Centre

DECEMBER



Financial Literacy programme for Divisional Hospital - Maruthamunai



Amāna Bank triumphs at IFFSA Awards 2024



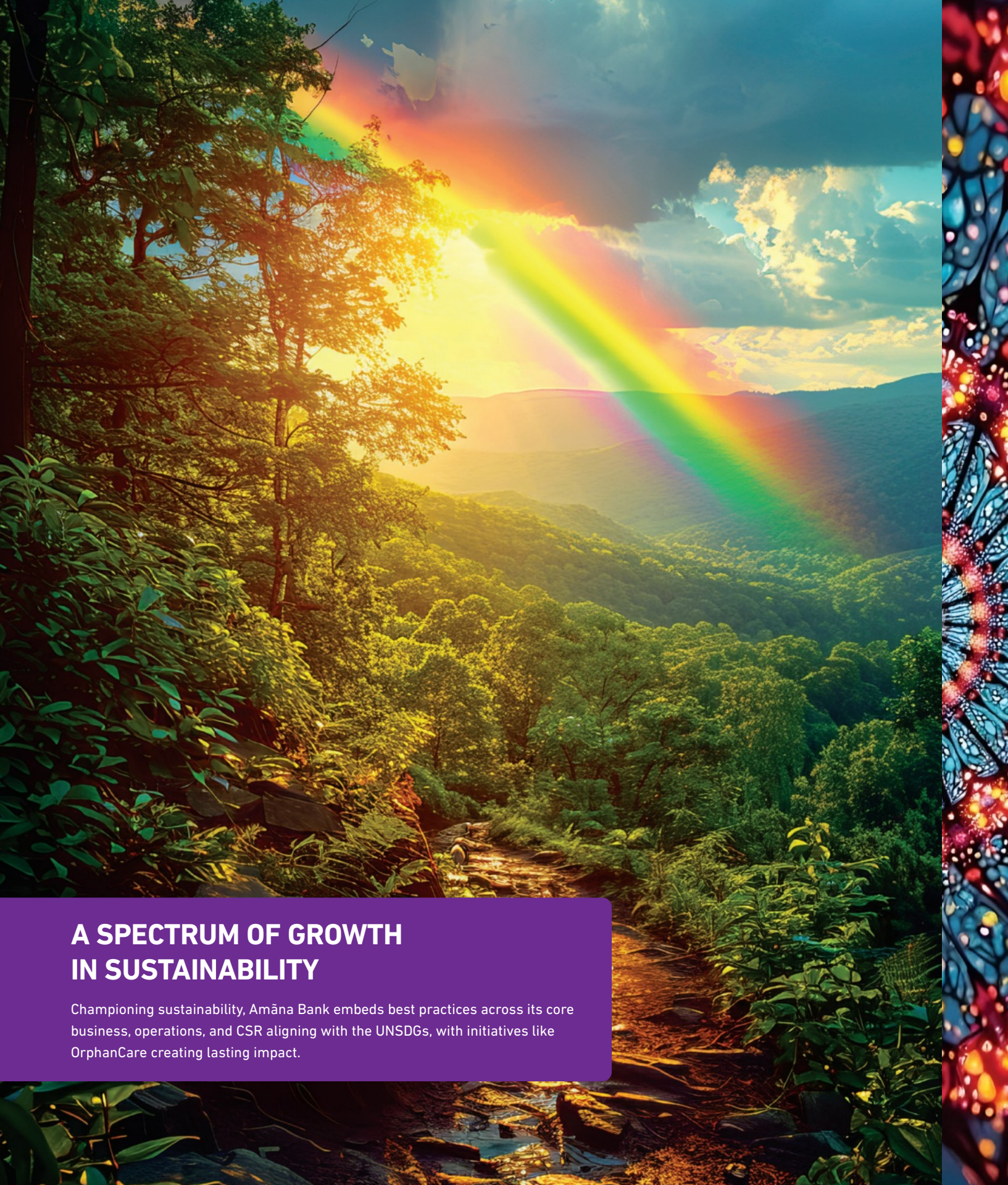
Islamic Banking Programme for CIMA Professionals



Amāna Bank partners with Sri Lanka Press Association



Amāna Bank enters Kalpitiya with Self Banking Centre

A vibrant landscape photograph featuring a bright rainbow arching over a lush, green forested valley. The sun is low in the sky, creating a warm, golden glow. In the foreground, there are dense green trees and foliage. A small stream flows through the lower part of the image. On the right side, there is a vertical decorative border featuring a colorful butterfly and floral patterns.

A SPECTRUM OF GROWTH IN SUSTAINABILITY

Championing sustainability, Amāna Bank embeds best practices across its core business, operations, and CSR aligning with the UNSDGs, with initiatives like OrphanCare creating lasting impact.

CHAIRMAN'S MESSAGE

“ Against the backdrop of an improving operating environment and economic stability, we have not only outpaced our 2023 performance but also reinforced our position as a resilient financial institution ”



On behalf of the Board of Directors of Amāna Bank PLC, it gives me great pleasure to present to you the Annual Report and Financial Statements for the year ending 31 December 2024. It has been a year filled with remarkable achievements and consistent progress as we navigated through Sri Lanka's evolving economic landscape.

OPERATING CONTEXT

The operating environment in 2024 showed significant improvement, as Sri Lanka transitioned towards economic recovery, recording a GDP growth of approximately 5% for the year. Economic reforms continued to take shape, providing much-needed stability and reinforcing investor and market confidence. The commitment of the new government to continuing the IMF programme further signalled continuity in economic progress, ensuring that the momentum established by the previous administration was not disrupted.



The successful conclusion of the external debt restructuring process in December 2024 marks yet another major achievement for Sri Lanka, denoting a crucial step toward restoring financial stability and positioning the Country for long-term growth.

FINANCIAL PERFORMANCE

I take great pleasure in announcing that Amāna Bank has delivered an excellent financial performance for 2024. Against the backdrop of an improving operating

environment and economic stability, we have not only outpaced our 2023 performance but also reinforced our position as a resilient financial institution, committed to driving sustainable growth and value creation.

Amāna Bank's Profit Before Tax (PBT) surged to LKR 2.8 billion, reflecting an impressive 21% year-on-year growth from the LKR 2.3 billion reported in 2023. Similarly, Profit After Tax (PAT) rose to LKR 1.8 billion, marking a robust 28% improvement over the previous financial year.

Leveraging on the successful Rights Issue in 2023, our capital position remained exceptionally strong, with Common Equity Tier 1 and Total Capital ratios standing at 15.0% and 17.6%, respectively, as of 31 December 2024, well above the regulatory minimum of 7% and 12.5%. This solid capital base, coupled with our strong liquidity position, has enabled us to accelerate our growth trajectory while maintaining financial stability and risk discipline.

In further validation of our financial strength, Fitch Ratings Sri Lanka upgraded Amāna Bank's national long-term rating from BB+(lka) to an investment-grade rating of BBB-(lka), with a stable outlook - a significant achievement that not only enhances our credibility but also paves the way for multiple opportunities for growth and expansion, benefiting all our stakeholders.

Moreover, in early February 2025, the Bank obtained a further external rating from Lanka Rating Agency (LRA), an approved rating agency of the Central Bank of Sri Lanka. We are pleased to inform our shareholders that LRA assigned the Bank a long-term investment-grade rating of BBB+ with a stable outlook, which will further

reinforce stakeholder confidence and open up opportunities for the Bank going forward.

SHAREHOLDER MATTERS

In July 2024, Amāna Bank undertook a share consolidation exercise aimed at reducing share price volatility, improving investor ratios and enhancing comparability with peer banks. An Extraordinary General Meeting was called on 5 July 2024 where shareholder approval was granted for a 10:1 share consolidation, thereby reducing Amāna Bank's issued shares from 5,511,257,461 to 551,125,746 ordinary shares. We are confident that this move will further align our share with industry standards, providing a more stable and transparent representation of our financial performance. Ultimately, this move presents Amāna Bank's share as a more attractive investment proposition while strengthening the Bank's position in the financial sector.

Further, we are delighted that the Bank's highest ever dividend amounting to over LKR 660 million was paid to shareholders in Q3. This translates to a pay-out ratio of 37%, which results in a Dividend Yield of 4.9%, based on the closing price of LKR 24.50 per share.

GOVERNANCE AND STEWARDSHIP

The Amāna Bank Board remains steadfast in its commitment to upholding the highest standards of governance and stewardship by ensuring that the Bank's operations are anchored in transparency, accountability, and ethical leadership. In line with the heightened regulatory scrutiny from the new CSE listing rules on Corporate Governance as well as the New Banking Act Direction No. 24 of 2024, the Board took proactive steps to integrate these new regulatory mandates into the Bank's Corporate Governance framework.

Chairman's Message *Contd.*

Following a comprehensive review of existing governance structures, the Board instituted a significant transformation of the Bank's policy frameworks and the Terms of Reference for Board Committees to enable greater oversight and alignment with best practices. The Board approved more than 20 policies, including several Governance policies along with a range of operational policies, all aimed at enhancing transparency, and integrity of decision-making processes to ensure that the Bank continues to operate in the best interest of all stakeholders.

Throughout the year, the Board and its Committees worked closely with senior management to oversee the implementation of these Governance enhancements and instill the culture of responsible stewardship at all levels of operation.

Additionally, the Terms of Reference for the Senior Independent Director (SID) were reviewed and approved to align with the new CSE listing rules. Thereafter, the SID held two separate meetings with the Independent Directors and Non-Executive Directors in December 2024, complying with the new regulatory requirements.

In other developments, the Board engaged in capacity building relating to the new SLFRS S1 & S2 reporting requirements with the involvement of independent subject matter experts who were appointed to guide Bank's efforts to adopt the relevant mandates in keeping up with the December 2025 target timeline.

BOARD MATTERS

I take great pleasure in welcoming two distinguished professionals to the Board of Amāna Bank PLC in 2024. Mr. Delvin William Pereira, a seasoned banker with over three decades of experience and a strong track record, joined the Board as an Independent, Non-Executive Director on 28 March 2024.

Additionally, Mr. Mohamed Azreen, a highly regarded financial professional with extensive global and local experience, was appointed as an Independent, Non-Executive Director on 20 July 2024.

At the same time, we bid farewell to two esteemed Board members. Mr. Aaron Russell-Davison who stepped down from his role as an Independent, Non-Executive Director on 31 January 2024, while Mr. Omar Kassim resigned as a Non-Independent, Non-Executive Director on 28 June 2024. Their contributions have been instrumental in shaping the Bank's journey these past few years. I take this opportunity to extend my deepest gratitude for their dedication and service.

These Board changes reflect Amāna Bank's commitment to comply with the new regulatory requirements to strengthen leadership and effective oversight at Board level.

WAY FORWARD

As the Country repositions itself for sustained growth in the years ahead, Amāna Bank stands ready to seize new opportunities and build upon its legacy

of growth and resilience. With a solid foundation in place, we are committed to leveraging this momentum to strengthen our market position. Our recent achievement of an investment-grade rating is a testament to the strength of our financial position and prudent risk management. I believe this rating will enhance our credibility in the market and unlock new avenues for growth, including access to more competitive funding sources and increased investor interest.

As we move forward, Amāna Bank will continue to uphold the highest standards of governance and financial stewardship, ensuring that the Bank remains a trusted partner in Sri Lanka's journey towards economic prosperity in the coming years.

ACKNOWLEDGEMENTS

I wish to extend my deepest gratitude to the Board of Directors of Amāna Bank for their unwavering commitment and diligent oversight, which have been instrumental in guiding the Bank's continued success.

My heartfelt appreciation also goes to Mr. Mohamed Azmeer, our Managing Director/CEO, along with the Management Committee and the entire Amāna Bank team, whose dedication and hard work have enabled the Bank to reach new milestones year after year.

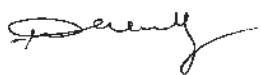
“ Amāna Bank stands ready to seize new opportunities and build upon its legacy of growth and resilience. With a solid foundation in place, we are committed to leveraging this momentum to strengthen our market position ”

I am also very grateful to the Sharia Supervisory Council for their invaluable support and insightful guidance, which have strengthened our adherence to ethical banking principles. A special note of thanks to the Board of Trustees of OrphanCare for their steadfast commitment to this noble cause

Additionally, I extend my sincere appreciation to the Governor and officials of the Central Bank of Sri Lanka and the Colombo Stock Exchange for their continuous support and direction.

I would like to take this opportunity to thank our customers and business partners who have been part of our journey over the years. Our success would not be possible without your trust and support.

I also express our profound gratitude to our valued local and foreign shareholders for their confidence in Amāna Bank. Your unwavering belief in our vision strengthens our resolve and inspires us to aim for new heights in the years ahead.



Asgi Akbarally

Chairman

20 February 2025

Colombo

සහායකතාවයේ ප්‍රතිඵලය

අමානා බැංකුවේ අධ්‍යක්ෂ මණ්ඩලය වෙනුවෙන්, 2024 දෙසැම්බර් 31 දිනයෙන් අවසන් වූ වර්ෂය සඳහා වන වාර්ෂික වාර්තාව ඔබ වෙත ඉදිරිපත් කරනුයේ ඉමහත් සතුටිනි. එම වර්ෂය තුළදී ශ්‍රී ලංකාවේ ආර්ථිකයේ සිදු වූ නිරන්තර වෙනස්කම් හමුවේ පවා කැපීපෙනෙන ජයග්‍රහණ රැසක් අත්කර ගනිමින් සාර්ථක ලෙස ඉදිරියට පැමිණීමට අපි සමත් වීමු.

මෙහෙයුම් සන්දර්භය

2024 වසර තුළ මෙහෙයුම් පරිසරයේ සිදු වූ සැලකිය යුතු යහපත් තත්ත්වයන් හේතුවෙන් එම වසරේදී ශ්‍රී ලංකාව ආර්ථික පුනර්ජීවනයක් කරා ප්‍රවිෂ්ට වූ අතර, වසරේ දළ දේශීය නිෂ්පාදිතයේ වර්ධනය ආසන්න වශයෙන් 5% ක් පමණ විය. කුමානුකූලව සිදුකෙරුණු ආර්ථික ප්‍රතිසංස්කරණ ඔස්සේ රටට බොහෝ සෙයින් අවශ්‍ය වී තිබූ ස්ථාවරත්වය යළි තහවුරු වීමත් සමඟ, ආයෝජක සහ වෙළඳපොළ විශ්වාසය හැඩතල ඇති විය. ජාත්‍යන්තර මූල්‍ය අරමුදල සමඟ ඇතිකරගත් එකඟතා අඛණ්ඩව පවත්වාගෙන යාමට නව රජය තීරණය කිරීමත් සමඟ, ආර්ථිකයේ ඇති වෙමින් තිබූ ප්‍රශ්නය වලෙසින්ම පවතිනු ඇතැයි යන විශ්වාසය ඇති වූ අතර, එමගින් පසුගිය පරිපාලනය මගින් නිර්මාණය කරන ලද යහපත් ප්‍රවණතාවන්ට බාධාවක් ඇති නොවන බවද සහතික කෙරිණි.

ජාත්‍යන්තර මූල්‍ය අරමුදලේ සිව්වැනි වාර්ෂික ලැබීමේ යම් ප්‍රමාදයක් තිබුණද, වෙළඳපොළ ආකල්ප බොහෝ දුරට සුභවාදී ලෙස පැවති අතර, මෘතකාලීනව අත්කරගත් ආර්ථික ප්‍රශ්නය හේතුවෙන් එම වාර්ෂික සඳහා ඉක්මනින් අනුමැතිය ලැබෙනු ඇතැයි යන බලාපොරොත්තු පැවතිණි.

2024 වසරේ දෙසැම්බර් මාසයේදී බාහිර ණය ප්‍රතිව්‍යුහගතකරණය සාර්ථක ලෙස අවසන් කිරීමට හැකි වීම ශ්‍රී ලංකාව අත්කරගත් තවත් කැපීපෙනෙන ජයග්‍රහණයකි. එය මූල්‍යමය ස්ථාවරත්වය හැඩතල ඇතිකරවමින් ශ්‍රී ලංකාව දීර්ඝකාලීන වර්ධනයකට සුදානම් කරවීමේ උත්සාහයේ වැදගත් පියවරක් විය.

මූල්‍ය කාර්යසාධනය

අමානා බැංකුව 2024 වර්ෂය තුළදී විශිෂ්ට මූල්‍ය කාර්යසාධනයක් වාර්තා කර ඇති බව අප පවසන්නේ ඉමහත් සතුටිනි. ඒ හේතුවෙන් වැඩිදියුණු වෙමින් පැවති මෙහෙයුම් පරිසරයක් සහ ආර්ථික ස්ථාවරත්වය සහිත පසුබිමක් තුළ, 2023 වසරේ වාර්තා කළ මට්ටමට වඩා ඉහළ කාර්යසාධනයක් වාර්තා කරගැනීමට පමණක් නොව, අභියෝගවලට සාර්ථක ලෙස මුහුණ දෙමින් තිරසාර වර්ධනයන් සහ වටිනාකම් නිර්මාණය වෙනුවෙන් කැප වී සිටින මූල්‍ය ආයතනයක් ලෙස අප වෙත තිබූ පිළිගැනීම තවදුරටත් තහවුරු කරගැනීමටද අපට හැකියාව ලැබිණි.

මෙවර අමානා බැංකුවේ බදු පෙර ලාභය රු. බිලියන 2.8 ක් දක්වා වර්ධනය වූ අතර, එය 2023 වසරේදී වාර්තා වූ රු. බිලියන 2.3 ට සාපේක්ෂව 21% ක වර්ධනයකි. මීට සමගාමීව බදු පසු ලාභයද පසුගිය මූල්‍ය වර්ෂයට සාපේක්ෂව 28% ක වර්ධනයක් අත්කර ගනිමින් රු. බිලියන 1.8 ක් ලෙස වාර්තා වී තිබේ.

2023 වසරේදී සිදුකළ සාර්ථක නිමකම් නිකුතුව හේතුවෙන් අපගේ ප්‍රාග්ධන තත්ත්වය මේ වනවිට බෙහෙවින් ශක්තිමත් මට්ටමක පවතී. 2024 දෙසැම්බර් 31 වන විට අමානා බැංකුවේ පොදු කොටස් පළමු පෙළ අනුපාතය සහ සමස්ත ප්‍රාග්ධන අනුපාතය පිළිවෙලින් 15.0% සහ 17.6% ලෙස වාර්තා වූ අතර, මෙම අගයන් අවම නියාමන සීමාවන් වූ 7% සහ 12.5% ට වඩා පැහැදිලි ලෙසම ඉහළ අගයන් විය. මෙම ස්ථාවර ප්‍රාග්ධන පදනම සහ ශක්තිමත් ද්‍රවශීලතා තත්ත්වය හේතුවෙන් අපගේ මූල්‍ය ස්ථාවරත්වය සහ අවදානම් කළමනාකරණය නිසි පරිදි පවත්වා ගත් අතරම අපගේ වර්ධන ප්‍රවණතාව වේගවත් කිරීමට හැකියාව ලැබී තිබේ.

අපගේ මූල්‍ය ශක්තිය තවදුරටත් තහවුරු කරමින්, Fitch Ratings Sri Lanka ආයතනය විසින් අමානා බැංකුවේ ජාතික දීර්ඝකාලීන ණය ශ්‍රේණිය 'BB+' (lka) මට්ටමේ සිට ආයෝජන ශ්‍රේණියක් වන 'BBB-' (lka), with a stable outlook' දක්වා ඉහළ නැංවිණි. එය තව දුරටත් අප කෙරෙහි වූ

විශ්වාසනීයත්වය ඉහළ නංවන අතරම, අපගේ සියලු පාර්ශ්වකරුවන්ට ප්‍රතිලාභ අත්කර දෙමින් අපගේ වර්ධනය සහ ව්‍යාප්තියට බහුවිධ අවස්ථා උදා කර දෙන සුවිශේෂී ජයග්‍රහණයක් ලෙස පෙන්වා දිය හැකිය.

තවද 2025 පෙබරවාරි මාසයේදී, ශ්‍රී ලංකා මහ බැංකුවේ අනුමැතිය හිමි ශ්‍රේණිගත කිරීම් ආයතනයක් වන Lanka Rating Agency (LRA) වෙතින් තවත් එක් බාහිර ශ්‍රේණිගත කිරීමක අපව ශ්‍රේණිගත කරන ලදී. එම ආයතනය විසින් දීර්ඝකාලීන ආයෝජන මට්ටමේ ශ්‍රේණියක් වන 'BBB+ with a stable outlook' ශ්‍රේණිය අප වෙත පිරිනැමූ බව අපගේ පාර්ශ්වකරුවන් වෙත දැනුම් දෙන්නේ ඉමහත් සතුටිනි. මෙය අපගේ පාර්ශ්වකරුවන් අප කෙරෙහි තබා ඇති විශ්වාසය තවදුරටත් තහවුරු කරනු ඇති අතර, බැංකුවේ ඉදිරි ගමන සඳහා නව අවස්ථා රාශියක්ද උදාකර දෙනු ඇත.

කොටස් හිමියන්ගේ ගමන් මග

2024 ජූලි මාසයේදී අමානා බැංකුව විසින් කොටස් ඒකාබද්ධ කිරීමේ වැඩසටහනක් ආරම්භ කරන ලදී. කොටස් මිල අස්ථාවරත්වය අවම කිරීම, ආයෝජන අනුපාත වැඩිදියුණු කිරීම සහ සම මට්ටමේ බැංකු සමඟ සංසන්දනය කිරීමේ හැකියාව වැඩිදියුණු කිරීම මෙහි මූලික අරමුණ විය. මේ සඳහා 2024 ජූලි මස 05 වන දින අතිවිශේෂ මහා සභා රැස්වීමක් කැඳවන ලද අතර, එහිදී කොටස් ප්‍රමාණය 10:1 ක් ලෙස ඒකාබද්ධ කිරීම සඳහා කොටස් හිමියන්ගේ අනුමැතිය හිමි විය. ඒ අනුව අමානා බැංකුව විසින් නිකුත් කරන ලද සාමාන්‍ය කොටස් සංඛ්‍යාව 5,511,257,461 සිට 551,125,746 දක්වා අඩු විය. මෙම පියවර අපගේ කොටස් වෙළඳපළ ක්ෂේත්‍රයේ සම්මතයන්ට වඩාත් අනුකූල බවත්, ඒ ඔස්සේ අපගේ මූල්‍ය කාර්යසාධනය වඩාත් ස්ථාවර සහ පාරදෘශ්‍ය ලෙස නිරූපණය වනු ඇති බවත් අපි විශ්වාස කරන්නෙමු. තවද මෙමගින් අමානා බැංකුවේ කොටස් කෙරෙහි ආයෝජක ආකර්ෂණය ඉහළ යනු ඇති අතර, ඒ ඔස්සේ මූල්‍ය සේවා ක්ෂේත්‍රය තුළ අමානා බැංකුවට හිමි ස්ථානය තවදුරටත් තහවුරු වනු ඇත.

අමානා බැංකුව විසින් 3 වැනි කාර්තුවේදී රු. මිලියන 660 ක ලාභාංශ ගෙවීමක් සිදුකරන ලදී. මෙය අමානා බැංකුවේ ඉතිහාසය තුළ සිදු කළ ඉහළම ලාභාංශ ගෙවීම බව දැනුම් දෙන්නේ ඉමහත් සතුටිනි. කොටසක් සඳහා අවසාන මිල වූ රු. 24.50 අනුව මෙය 37% ක ගෙවීම් අනුපාතයක් වන අතර, ඒ අනුව ලාභාංශ අනුපාතය 4.9% ලෙස සනිටුහන් විය.

ආයතනික පාලනය සහ තාරකාරත්වය

අමානා බැංකුවේ මෙහෙයුම් කටයුතුවලදී සෑම විටම විනිවිදභාවය, වගවීම සහ ආචාරාධාර්මික නායකත්වය යන ගුණාංග ආරක්ෂා වන බව සහතික කිරීම මගින්, ආයතනික පාලනය හා තාරකාරත්වය ඉහළම මට්ටමකින් පවත්වා ගැනීමට බැංකුවේ අධ්‍යක්ෂ මණ්ඩලය කැප වී සිටී. කොළඹ කොටස් වෙළඳපොළේ ලැයිස්තුගත වීමට අදාළ නව නීතිරීති අනුව මෙන්ම 2024 අංක 24 දරන බැංකු (සංශෝධන) පනත අනුව ආයතනික පාලනය පෙරටත් වඩා නියාමනයට ලක්වීමට සමගාමීව, මෙම නව නියාමන විධිවිධාන බැංකුවේ ආයතනික පාලනය රාමුව තුළට අන්තර්ග්‍රහණය කරගැනීමට අමානා බැංකුව කටයුතු කළේ ය.

පවත්නා පාලන ව්‍යුහයන් පිළිබඳ පුළුල් සමාලෝචනයක් සිදුකිරීමෙන් අනතුරුව, වඩාත් හොඳ අධීක්ෂණයක් සඳහා මෙන්ම අදාළ විශිෂ්ටතම ක්‍රමවේදයන්ට අනුගත වීම සඳහා, අධ්‍යක්ෂ මණ්ඩලය විසින් බැංකුවේ ප්‍රතිපත්ති රාමු සහ අධ්‍යක්ෂ මණ්ඩල කමිටුවලට අදාළ යොමු කිරීමේ අනුදේශ (Terms of Reference) සම්බන්ධයෙන් වෙනස්කම් රැසක් සිදු කරන ලදී. මෙහිදී ආයතනික පාලනයට අදාළ ප්‍රතිපත්ති සහ මෙහෙයුම් ප්‍රතිපත්ති කිහිපයක් ඇතුළුව ප්‍රතිපත්ති 20 කට අධික සංඛ්‍යාවකට අධ්‍යක්ෂ මණ්ඩලයේ අනුමැතිය හිමි විය. බැංකුවේ මෙහෙයුම් කටයුතුවලදී විනි පාර්ශ්වකරුවන් සියලුම දෙනාට උපරිම සාධාරණය ඉටු වන ආකාරයට තීරණ ගැනීමේ ක්‍රියාවලියන් විනිවිදභාවය හා විශ්වාසනීයත්වය ඉහළ නැංවීම මේ සියල්ලෙහි අරමුණ විය.

ආයතනික පාලනය වැඩිදියුණු කිරීමේ අරමුණින් ගන්නා ලද මෙම තීරණ ක්‍රියාත්මක වන ආකාරය අධීක්ෂණය කිරීම සඳහා අධ්‍යක්ෂ මණ්ඩලය සහ විනි කමිටු වසර පුරාම පෝෂ්ඨ කළමනාකාරිත්වය සමඟ සම්පව කටයුතු කළ අතර, මෙහෙයුම්වල සෑම මට්ටමකදීම වගකීම්සහගත තාරකාරත්වය මූලික කරගත් සංස්කෘතියක් ඇති කිරීමටද පියවර ගත්හ.

මීට අමතරව, පෝෂ්ඨ ස්වාධීන අධ්‍යක්ෂවරුන්ට අදාළ යොමු කිරීමේ අනුදේශ (Terms of Reference) කොළඹ කොටස් වෙළඳපොළේ ලැයිස්තුගත වීම් සම්බන්ධ නව නීතිරීතිවල අනුකූල භාවයද සමාලෝචනය කර අනුමැතිය ලබාදෙන ලදී. ඉන් අනතුරුව, නව නියාමන අවශ්‍යතාවලට අනුකූලව 2024 දෙසැම්බර් මාසයේදී පෝෂ්ඨ ස්වාධීන අධ්‍යක්ෂවරුන් විසින් ස්වාධීන අධ්‍යක්ෂවරුන්ගේ රැස්වීම සහ විධායක නොවන අධ්‍යක්ෂවරුන්ගේ රැස්වීම වශයෙන් වෙනවෙනම රැස්වීම් දෙකක් පවත්වන ලදී.

තවද ඉලක්කගත කාලරාමුව වන 2025 දෙසැම්බර් මාසයට පෙර, අදාළ නව වාර්තාකරණ විධිවිධානවලට අනුගත වීමට අමානා බැංකුව දරන ප්‍රයත්නයන්ට මගපෙන්වීම සඳහා පත් කරන ලද ස්වාධීන විශේෂඥයන්ගේ මැදිහත්වීම ඇතිව, නව SLFRS S1 සහ S2 තිරසාර වාර්තාකරණ අවශ්‍යතා සම්බන්ධයෙන් පවත්වන ලද පුහුණු කිරීමේ වැඩසටහන්වලටද අධ්‍යක්ෂ මණ්ඩලය දායක විය.

අධ්‍යක්ෂ මණ්ඩල තොරතුරු

2024 වසරේදී අමානා බැංකුවේ අධ්‍යක්ෂ මණ්ඩලයට එක් වූ ප්‍රවීණ වෘත්තිකයන් දෙපළ ඉමහත් සතුටින් යුතුව සාදරයෙන් පිළිගනිමි. ඒ අතරින් දශක තුනකට අධික පළපුරුද්දක් හිමි බැංකු සේවා වෘත්තිකයෙකු මෙන්ම, තම වෘත්තීය ජීවිතය තුළ සුවිශේෂී සන්ධිස්ථාන රැසක් සනිටුහන් කර ඇති බෙල්ට්න් පෙරෙසිරා මහතා, 2024 මාර්තු 28 දින ස්වාධීන, විධායක නොවන අධ්‍යක්ෂවරයෙකු ලෙස අපගේ අධ්‍යක්ෂ මණ්ඩලයට එක් විය. එමෙන්ම දේශීය හා ජාත්‍යන්තර වශයෙන් අත්දැකීම් සම්භාරයක් ලබා

ඇති, ඉහළම පිළිගැනීමක් හිමි මූල්‍ය වෘත්තිකයෙකු වන මොහොමඩ් අස්ථින් මහතා 2024 ජූලි 20 දින ස්වාධීන, විධායක නොවන අධ්‍යක්ෂවරයෙකු ලෙස පත්කරන ලදී.

මීට සමගාමීව අපගේ හිතාදර අධ්‍යක්ෂ මණ්ඩල සාමාජිකයන් දෙදෙනකුට අපි සමුද්‍රන්තෙමු. අපගේ අධ්‍යක්ෂ මණ්ඩලයේ ස්වාධීන, විධායක නොවන අධ්‍යක්ෂවරයෙකු වශයෙන් කටයුතු කළ ඇරන් රසල්-ඩේවිසන් මහතා 2024 ජනවාරි 31 දින සිය තනතුරෙන් ඉල්ලා අස් වූ අතර, ස්වාධීන නොවන, විධායක නොවන අධ්‍යක්ෂවරයෙකු ලෙස කටයුතු කළ ඕමාර් කාසිම් මහතා 2024 ජූනි 28 දින එම තනතුරෙන් ඉල්ලා අස් විය. පසුගිය වසර කිහිපය තුළ බැංකුවේ සාර්ථකත්වය උදෙසා ඔවුන්ගෙන් සුවිශාල කාර්යභාරයක් ඉටු වූ අතර, ඔවුන්ගේ කැපවීම හා මෙහෙවර වෙනුවෙන් මගේ හද පිරි කෘතඥතාව ඔවුන් වෙත පිරිනැමීම සඳහා මම මෙය අවස්ථාවක් කරගනිමි.

නව නියාමන විධිවිධානවලට අනුගත වෙමින් අධ්‍යක්ෂ මණ්ඩල මට්ටමින් නායකත්වය හා අධීක්ෂණය ශක්තිමත් කිරීම සඳහා අමානා බැංකුව දක්වන උනන්දුව හා කැපවීම, අධ්‍යක්ෂ මණ්ඩලය තුළ සිදුකරන ලද මෙම වෙනස්කම් මගින් මැනවින් පිළිබිඹු වේ.

ඉදිරි ගමන

මෙතෙක් අත්කරගත් වර්ධනය සහ ජයගත් අභියෝගවල පන්තරය සමගින්, ඉදිරි වසර කිහිපය තුළ නව අවස්ථා ග්‍රහණය කරගනිමින් අඛණ්ඩව ඉදිරියට යාමට අමානා බැංකුව සූදානම්ව සිටී. ශක්තිමත් අභිතලමක් හිමි බැංකුවක් වශයෙන් මෙම ප්‍රවණතා තුළින් උපරිම ප්‍රයෝජන ලබමින් අපගේ වෙළඳපොළ තත්වය ශක්තිමත් කරගැනීම අපගේ ඉලක්කය වී තිබේ. මෑතකදී ආයෝජන මට්ටමේ ශ්‍රේණිගතකරණයක් හිමි වීම, අපගේ මූල්‍ය තත්වයට මෙන්ම සාර්ථක අවදානම් කළමනාකරණයට සාක්ෂි දරයි. මෙම ශ්‍රේණිගතකරණය මගින් වෙළඳපොළ තුළ අප කෙරෙහි ඇති විශ්වාසය ඉහළ යනු ඇති බවත්, එමගින් වඩාත් තරගකාරී අරමුදල් මූලාශ්‍ර භාවිතා

කිරීමට හැකි වීම ඇතුළුව අනාගත දියුණුව උදෙසා මනෝපකාරී වන නව අවස්ථා රාශියක් උදා වනු ඇති බවත්, අප කෙරෙහි පවතින ආයෝජක ආකර්ෂණය තවදුරටත් ඉහළ යනු ඇති බවත් මම විශ්වාස කරමි.

මේ ආකාරයට ආයතනික පාලනය සහ මූල්‍ය භාරකාරත්වය සම්බන්ධ ඉහළම ප්‍රමිතීන් අඛණ්ඩව පවත්වා ගනිමින්, ඉදිරි වසරවලදී ශ්‍රී ලංකාව ආර්ථික සමෘද්ධිය කරා යන ගමනේ විශ්වාසනීය හවුල්කරුවෙකු බවට පත් වීම අමානා බැංකුවේ අරමුණ වී තිබේ.

ප්‍රණාමය

අමානා බැංකුවේ අඛණ්ඩ සාර්ථකත්වයට ඉවහල් වූ නොසැලෙන කැපවීම සහ අධීක්ෂණය වෙනුවෙන් අමානා බැංකුවේ අධ්‍යක්ෂ මණ්ඩලයට මාගේ හද පිරි කෘතඥතාව පුද කිරීමට කැමැත්තෙමි.

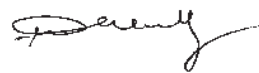
විමෙන්නම අපගේ කළමනාකාර අධ්‍යක්ෂ/ප්‍රධාන විධායක නිලධාරී මොහොමඩ් අස්මීර් මහතාටත්, කළමනාකරණ කමිටුවටත්, අමානා බැංකුවේ සමස්ත කාර්යමණ්ඩලයටත් මාගේ භාද්‍යාංගම ස්තූතිය හිමි වේ. මේ ආකාරයට වසරින් වසර නව සන්ධිස්ථානයන් සනිටුහන් කරමින් ඉදිරියට යාමට අපට හැකි වී තිබෙන්නේ ඔවුන්ගේ අපමණ වෙහෙස හා කැපවීම හේතුවෙනි.

විමෙන්නම අප වෙත ලබාදුන් මිල කළ නොහැකි සහයෝගය හා මගපෙන්වීම වෙනුවෙන් ෂරීයා අධීක්ෂණ කමිටුවටද මම බෙහෙවින් ස්තූතිවන්ත වෙමි. එම මගපෙන්වීම හේතුවෙන් අපට බැංකුකරණයේ ආචාරධර්ම වඩාත් හොඳින් පිළිපදිමින් අපගේ ව්‍යාපාර කටයුතු සිදුකිරීමට හැකියාව ලැබිණි. තවද උතුම් සමාජ මෙහෙවරක් වන OrphanCare වැඩසටහන වෙනුවෙන් ලබා දුන් සුවිශාල දායකත්වය වෙනුවෙන් එම වැඩසටහනේ භාරකාර මණ්ඩලයට මගේ විශේෂ ස්තූතිය හිමි වේ.

විමෙන්නම අප වෙත අඛණ්ඩව ලබාදුන් සහයෝගය හා මගපෙන්වීම වෙනුවෙන් ශ්‍රී ලංකා මහ බැංකුවේ අධිපතිතුමන් ඇතුළු කාර්ය මණ්ඩලයටත්, කොළඹ කොටස් වෙළඳපොළේ ප්‍රධානීන් ඇතුළු කාර්ය මණ්ඩලයටත් මගේ ස්තූතිය පිරිනමමි.

තවද, මේ දක්වාම අපගේ ඉදිරි ගමනේ හවුල්කරුවන් ලෙසින් අප සමඟ සිටි අපගේ හිතාදර ගනුදෙනුකරුවන්ටත් ව්‍යාපාරික හවුල්කරුවන්ටත් මගේ හදපිරි ස්තූතිය පිරිනැමීමට මෙය අවස්ථාවක් කරගනිමි. ඔවුන්ගේ විශ්වාසය හා සහයෝගය නොවන්නට මේ සාර්ථකත්වය ළඟා කරගැනීම අපට දුෂ්කර වන්නට ඉඩ තිබිණි.

විමෙන්නම අමානා බැංකුව කෙරෙහි විශ්වාසය රැඳවීම වෙනුවෙන්, අපගේ දේශීය හා ජාත්‍යන්තර කොටස් හිමිකරුවන්ටද මාගේ අප්‍රමාණ ස්තූතිය හිමි වේ. අපගේ දැක්ම කෙරෙහි ඔබ රැඳවූ නොසැලෙන විශ්වාසය, දිගින් දිගටම දියුණුව කරා යන ගමන දෙස නිරන්තරයෙන් අපව දිරිගන්වයි.



අක්ශි අක්බරලී
සභාපති

2025 පෙබරවාරි 20
කොළඹ

தவிசாளரின் அறிக்கை

அமானா வங்கி பிஎல்சியின் பணிப்பாளர் சபையின் சார்பாக, 2024 டிசம்பர் 31 ஆம் திகதியுடன் நிறைவடைந்த நிதியாண்டுக்கான வருடாந்த அறிக்கை மற்றும் நிதிசார் கூற்றுகளை வழங்குவதில் நான் மிகவும் மகிழ்ச்சியடைகிறேன். இவ்வாண்டு இலங்கையின் மீட்சியுடனான பொருளாதார சூழலை கடந்துவரும் நிலையில், சிறந்த சாதனைகள் மற்றும் தொடர்ச்சியான முன்னேற்றங்களை பதிவு செய்திருந்தது.

தொழிற்பாட்டு சூழல்

இலங்கை பொருளாதார மீட்சியை நோக்கி நகர்ந்திருந்த நிலையில், 2024 ஆம் ஆண்டில் தொழிற்பாட்டு சூழல் குறிப்பிடத்தக்களவு முன்னேற்றத்தை காண்பித்தது. ஆண்டின் மொத்த தேசிய உற்பத்தி (GDP) வளர்ச்சி அண்ணளவாக 5% ஆக பதிவு செய்தது. பொருளாதார மறுசீரமைப்புகள் தொடர்ந்தும் மேற்கொள்ளப்பட்ட நிலையில், அதனுடாக ஸ்திரத்தன்மை வழங்கப்பட்டதுடன், முதலீட்டாளர்கள் மற்றும் சந்தையின் நம்பிக்கையையும் உறுதி செய்திருந்தன. சர்வதேச நாணய நிதியத்துடனான உடன்படிக்கையை தொடர்வது தொடர்பான புதிய அரசாங்கத்தின் அர்ப்பணிப்பினூடாக, பொருளாதார முன்னேற்றத்தின் தொடர்ச்சிக்கு சமிக்ஞை வழங்கப்பட்டு, முன்னைய நிர்வாகத்தினால் ஏற்படுத்தப்பட்ட முன்னேற்றகரமான நடவடிக்கைகள் தடைகளின்றி தொடர்கின்றமை உறுதி செய்யப்பட்டிருந்தது.

சர்வதேச நாணய நிதியத்தின் நான்காவது நிதிக் கொடுப்பனவை பெற்றுக் கொள்வதில் சில தாமதங்கள் காணப்பட்ட போதிலும், சந்தை நிலைவரங்கள் பெருமளவு எதிர்பார்ப்புகள் நிறைந்ததாகவும், அண்மைய பொருளாதார முன்னேற்றங்களை கவனத்தில் கொண்டு, விரைவில் இந்த கொடுப்பனவுக்கான அனுமதி கிடைக்கும் என்ற நம்பிக்கையும் காணப்படுகின்றது.

வெளிநாட்டு கடன் மறுசீரமைப்பு செயன்முறைகள் 2024 டிசம்பர் மாதத்தில் வெற்றிகரமாக பூர்த்தியடைந்தமை, இலங்கைக்கு மற்றுமொரு மாபெரும் சாதனையாக அமைந்திருந்தது. நிதிசார் உறுதித்தன்மையை ஏற்படுத்துவதிலும் நீண்ட கால வளர்ச்சிப் பாதையில் இலங்கையை

கொண்டு செல்வதிலும் முக்கிய படியாக இது அமைந்திருந்தது.

நிதிசார் செயற்பாடுகள்

2024 ஆம் ஆண்டில் அமானா வங்கி அதிசிறந்த நிதிசார் பெறுபேறுகளை பதிவு செய்துள்ளது என்பதை அறிவிப்பதில் நான் மிகவும் மகிழ்ச்சியடைகிறேன். முன்னேற்றமடையும் தொழிற்பாட்டு சூழல் மற்றும் பொருளாதார உறுதித்தன்மை போன்றவற்றுக்கு மத்தியில், எமது 2023 ஆம் ஆண்டின் நிதிப்பெறுபேறுகளை நாம் விஞ்சியிருந்ததுடன், நிலைபேறான வளர்ச்சி மற்றும் பெறுமதி உருவாக்கத்தில் அர்ப்பணித்துள்ள மீண்டெழும் திறன் படைத்த நிதிச்சேவைகளை வழங்கும் நிறுவனம் எனும் எமது நிலையை மீளஉறுதிப்படுத்தியுள்ளோம்.

அமானா வங்கியின் வரிக்கு முந்திய இலாபம் (PBT) ரூ. 2.8 பில்லியனாக உயர்ந்திருந்தது. 2023 ஆம் ஆண்டில் பதிவாகியிருந்த ரூ. 2.3 பில்லியனுடன் ஒப்பிடுகையில் 21% வருடாந்த வளர்ச்சியை எய்தியிருந்தது. அதுபோன்று, வரிக்கு பிந்திய இலாபம் ரூ. 1.8 பில்லியனாக உயர்ந்திருந்தது. முன்னைய ஆண்டுடன் ஒப்பிடுகையில் 28% வளர்ச்சி என்பதும் குறிப்பிடத்தக்கது.

2023 ஆம் ஆண்டில் வெற்றிகரமான முறையில் உரிமை வழங்கலை முன்னெடுத்திருந்ததைத் தொடர்ந்து, எமது மூலதன நிலை மிகவும் உறுதியானதாக காணப்பட்டதுடன், பொது பங்கு நிலை 1 மற்றும் மொத்த மூலதன விகிதங்கள் போன்றன 2024 டிசம்பர் 31 ஆம் திகதியன்று முறையே 15.0% மற்றும் 17.6% ஆக பதிவாகியிருந்தன. இவை தொழிற்துறையின் ஆகக்குறைந்த தேவைப்பாடான 7% மற்றும் 12.5% ஆகியவற்றை விட உயர்ந்த நிலையில் அமைந்திருந்தன. இந்த உறுதியான மூலதன இருப்புடன், எமது உறுதியான திரள்வு நிலை போன்றவற்றினூடாக நிதிசார் உறுதித் தன்மை மற்றும் இடர் ஒழுக்கம் ஆகியவற்றை பேணி, வளர்ச்சியை நோக்கி எம்மால் துரிதமாக இயங்க முடிந்தது.

எமது நிதிசார் வலிமையை மேலும் உறுதி செய்யும் வகையில், 'பிட்ச் ரேட்டிங் ஸ்ரீ லங்கா அமானா வங்கியின் தேசிய நீண்ட-கால

தரப்படுத்தலை BB+(lka) இலிருந்து முதலீட்டு-தர தரப்படுத்தலான BBB-(lka) க்கு உறுதியான புறத்தோற்றப்பாட்டுடன் உயர்த்தியிருந்தது. இது மாபெரும் சாதனையாக அமைந்திருப்பதுடன், எமது உறுதித்தன்மையை உணர்த்துவது மாதிரிமன்றி, சகல பங்காளர்களுக்கும் அனுகூலமளிக்கும் வகையில் பல்வேறு வளர்ச்சி மற்றும் விரிவாக்க வாய்ப்புகளுக்கும் வழிகோலும்.

மேலும், 2025 பெப்ரவரி மாத முற்பகுதியில் வங்கி, இலங்கை மத்திய வங்கியின் அனுமதியுடன் இயங்கும் தரப்படுத்தல் முகவர் அமைப்பான லங்கா ரேட்டிங் ஏஜென்ஸி (LRA) இடமிருந்து தரப்படுத்தலையும் பெற்றுள்ளது. LRA இடமிருந்து வங்கிக்கு நீண்ட கால முதலீட்டு-தர தரப்படுத்தல் BBB+ என்பது உறுதியான புறத்தோற்றப்பாட்டுடன் வழங்கப்பட்டுள்ளது என்பதை எமது பங்குதாரர்களுக்கு அறிவிப்பதில் நாம் மகிழ்ச்சியடைகிறோம். இது பங்காளர் நம்பிக்கையை உறுதி செய்வதாக அமைந்திருப்பதுடன், எதிர்காலத்தில் பல வாய்ப்புகளை ஏற்படுத்துவதாகவும் அமைந்திருக்கும்.

பங்குதாரர் விவகாரங்கள்

2024 ஜூலை மாதத்தில் அமானா வங்கி பங்குகளை ஒருங்கிணைக்கும் செயற்பாட்டை முன்னெடுத்திருந்தது. அதனுடாக பங்கு விலை தளம்பலை குறைப்பது, முதலீட்டாளர் விகிதங்களை முன்னேற்றுவது மற்றும் ஒரே நிலையைச் சேர்ந்த இதர வங்கிகளுடன் ஒப்பிடக்கூடிய நிலையை மேம்படுத்துவது போன்றவற்றை இலக்காகக் கொண்டு இந்த செயற்பாடு மேற்கொள்ளப்பட்டிருந்தது. 2024 ஜூலை 5 ஆம் திகதி அதிவிசேட பொது ஒன்றுகூடமொன்று அழைக்கப்பட்டிருந்த நிலையில், 10:1 எனும் விகிதாசார அடிப்படையில் பங்கு ஒன்றிணைப்புக்காக பங்குதாரர்களின் அனுமதி கிடைத்திருந்தது. அதனுடாக, அமானா வங்கியின் வழங்கப்பட்ட பங்குகளான 5,511,257,461 இலிருந்து 551,125,746 சாதாரண பங்குகளாக குறைத்துக் கொள்ள முடிந்தது. தொழிற்துறையுடன் எமது பங்குகளை பொருத்தமான வகையில் பேணக்கூடியதாக அமைந்திருக்கும் என்பதில்

தவிசாளரின் அறிக்கை தொடர்ந்து.

நாம் நம்பிக்கை கொண்டுள்ளதுடன், எமது நிதிச்சேவைகளை வழங்கும் நிறுவனத்தின் அதிகளவு நிலையான மற்றும் வெளிப்படையான தோற்றப்பாட்டை வழங்கும் எனவும் கருதுகிறோம். இந்த நடவடிக்கை அமானா வங்கியின் பங்கை கவர்ச்சிகரமான முதலீட்டுத் தெரிவாக அமைந்திருக்கச் செய்வதுடன், நிதித்துறையில் வங்கியின் நிலையை மேலும் வலுப்படுத்தக்கூடியதாகவும் இருக்கும்.

அத்துடன், ரூ 660 மில்லியனுக்கு அதிகமான தொகை வங்கியின் அதியுயர் பங்கிலாப பெறுமதியாக பங்குதாரர்களுக்கு மூன்றாம் காலாண்டில் பகிர்ந்தளிக்கப்பட்டிருந்தது என்பதையும் மகிழ்ச்சியுடன் அறியத்தருகிறோம். இது செலுத்தல் விகிதமான 37% குறிப்பதுடன், அது, பங்கொன்றின் நிறைவு விலையான ரூ. 24.50 இன் பிரகாரம், பங்கிலாப விளைச்சலான 4.9% வெளிப்படுத்துகிறது.

ஆளுகை மற்றும் வழிநடத்தல்

ஆளுகை மற்றும் வழிநடத்தல்களில் உயர்ந்த மட்ட நியமங்களை பேணுவதில் அமானா வங்கியின் பணிப்பாளர் சபை அர்ப்பணிப்புடன் செயலாற்றியிருந்தது. அதற்காக வங்கியின் செயற்பாடுகள் வெளிப்படைத்தன்மை, பொறுப்புக்கூரல் மற்றும் நெறிமுறைத் தலைமைத்துவம் போன்றவற்றினூடாக முன்னெடுக்கப்படுகின்றமையை உறுதி செய்கின்றது. கூட்டாண்மை ஆளுகை தொடர்பில் புதிய கொடும்பு பங்குப் பரிவர்த்தனை பட்டியலிடல் விதிமுறைகள் மற்றும் 2024 ஆம் ஆண்டின் இல. 24 புதிய வங்கியியல் சட்ட வழிகாட்டல்கள் போன்றவற்றுக்கமைய, வங்கியின் கூட்டாண்மை நிர்வாக கட்டமைப்பையும் ஒழுங்குபடுத்துவதற்கான நடவடிக்கைகளை பணிப்பாளர் சபை முன்னெடுத்திருந்தது.

ஏற்கனவே காணப்படும் நிர்வாகக் கட்டமைப்புகளை பரந்தளவில் மீளாய்வு செய்திருந்ததை தொடர்ந்து, வங்கியின் கொள்கை கட்டமைப்புகள் மற்றும் பணிப்பாளர் குழுக்களுக்கான மேற்கோள் நியதிகள் போன்றவற்றில் குறிப்பிடத்தக்களவு மாற்றத்தை ஏற்படுத்தி, அவற்றை சிறந்த செயன்முறைகளுடன் ஒன்றிணைக்கச்

செய்யும் பணிகளையும் பணிப்பாளர் சபை மேற்கொண்டிருந்தது. பல்வேறு ஆளுகை கொள்கைகளுடன், பரந்தளவு செயற்பாட்டு கொள்கைகள் போன்றன அடங்கலாக 20 க்கும் அதிகமான கொள்கைகளை பணிப்பாளர் சபை அனுமதியளித்திருந்தது. இவை அனைத்தும் வங்கியின் வெளிப்படைத்தன்மையை மேம்படுத்துவதை நோக்காக கொண்டிருந்ததுடன், தீர்மானமெடுத்தல் செயன்முறையை ஒழுங்கமைக்கவும் எதிர்பார்த்திருந்தன. அதனூடாக சகல பங்காளர்களின் சிறந்த நோக்கத்திற்கமைய வங்கி தொடர்ந்தும் இயங்குவதை உறுதி செய்திருந்தது.

வருடம் முழுவதிலும், பணிப்பாளர் சபை மற்றும் அதன் குழுக்கள், சிரேஷ்ட முகாமைத்துவடன் இணைந்து செயலாற்றியிருந்ததுடன், இந்த ஆளுகை செயற்பாடுகள் நிறைவேற்றப்படுவதை மேற்பார்வை செய்து, இந்த பொறுப்பு வாய்ந்த வழிகாட்டுதல்கள் செயற்பாடுகளின் சகல நிலைகளிலும் பின்பற்றப்படும் கலாசாரத்தை ஏற்படுத்தியிருந்தது.

மேலும், சிரேஷ்ட சுயாதீன பணிப்பாளரின் (SID) நியதிகள் மேற்குறிப்பும் மீளாய்வுக்குட்படுத்தப்பட்டிருந்ததுடன், கொடும்பு பங்குப் பரிவர்த்தனையின் புதிய பட்டியலிடல் விதிமுறைகளுடன் பொருந்துவதாக அமைந்திருக்கும் வகையில் அனுமதியளித்திருந்தது. அதன் பின்னர், புதிய ஒழுங்குவிதிமுறைகளுக்கமைய, சுயாதீன பணிப்பாளர் ஒன்றுகூடல் மற்றும் நிறைவேற்று அதிகாரமற்ற பணிப்பாளர் ஒன்றுகூடல் போன்றவற்றை 2024 டிசம்பர் மாதத்தில் SID முன்னெடுத்தார்.

புதிய SLFRS S1 & S2 அறிக்கையிடல் தேவைப்பாடுகள் தொடர்பில் திறன் கட்டியெழுப்பும் செயற்பாடுகளில் பணிப்பாளர் சபை ஈடுபட்டதுடன், அதற்காக விடயம் தொடர்பான சுயாதீன நிபுணர்களையும் ஈடுபடுத்தியிருந்தது. இவர்கள் 2025 டிசம்பர் மாதத்துக்கான இலக்கு கால அட்டவணையின் பிரகாரம் சம்பந்தப்பட்ட விடயங்களை பின்பற்றும் வங்கியின் முயற்சிகளுக்கு வழிகாட்டல்களை வழங்குவதற்காக நியமிக்கப்பட்டிருந்தனர்.

பணிப்பாளர் சபை விவகாரங்கள்

2024 ஆம் ஆண்டில் அமானா வங்கி பிஎஸ்சியின் பணிப்பாளர் சபைக்கு இரு நிபுணர்களை வரவேற்பதில் நான் மகிழ்ச்சியடைகிறேன். மூன்று தசாப்த காலத்துக்கும் மேலான அனுபவம் மற்றும் உறுதியான வழித்தடத்தைப் பேணியுள்ள வங்கியாளரான திரு. டெல்வின் பெரேரா, 2024 மார்ச் 28 ஆம் திகதி சுயாதீன, நிறைவேற்று அதிகாரமற்ற பணிப்பாளராக பணிப்பாளர் சபையில் இணைந்து கொண்டார்.

மேலும், கீர்த்தி நாமம் பெற்ற நிதிசார் நிபுணரான திரு. மொஹமட் அஸ்ரின், 2024 ஜூலை 20 ஆம் திகதி சுயாதீன, நிறைவேற்று அதிகாரமற்ற பணிப்பாளராக பணிப்பாளர் சபையில் நியமிக்கப்பட்டார். இவர் பெருமளவு சர்வதேச மற்றும் உள்நாட்டு அனுபவத்தைக் கொண்டவர்.

அதேவேளை, நாம் இரு பணிப்பாளர் சபை அங்கத்தவர்களுக்கு பிரியாவிடை செலுத்தியிருந்தோம். 2024 ஜனவரி 31 ஆம் திகதியுடன், சுயாதீன, நிறைவேற்று அதிகாரமற்ற பணிப்பாளர் நிலையிலிருந்து திரு. ஆரன் ரசல்-டேவிசன் பதவி விலகியிருந்தார். 2024 ஜூன் 28 ஆம் திகதியுடன் சுயாதீனமற்ற, நிறைவேற்று அதிகாரமற்ற பணிப்பாளர் பொறுப்பிலிருந்து திரு. ஒமர் காசீம் விலகியிருந்தார். கடந்த சில வருடங்களில் வங்கியின் பயணத்தை சீரமைப்பதில் அவர்களின் பங்களிப்புகள் இன்றியமையாததாக அமைந்திருந்தன. அவர்களின் அர்ப்பணிப்பான சேவைக்காக மனமார்ந்த நன்றியை இந்த தருணத்தில் தெரிவித்துக் கொள்கிறேன்.

பணிப்பாளர் சபை மாற்றங்களினூடாக, புதிய ஒழுங்குபடுத்தல் தேவைப்பாடுகளை பின்பற்றி, தலைமைத்துவத்தையும் பணிப்பாளர் சபை மட்டத்தில் வினைத்திறனான மேற்பார்வையையும் கொண்டிருப்பதில் அமானா வங்கி காண்பிக்கும் அர்ப்பணிப்பு பிரதிபலிக்கப்பட்டுள்ளது.

எதிர்கால செயற்பாடுகள்

எதிர்வரும் ஆண்டுகளில் நாடு நிலைபேறான வளர்ச்சிக்காக தன்னை நிலைநிறுத்தியுள்ள நிலையில், புதிய வாய்ப்புகளை கையகப்படுத்தவும், வளர்ச்சி மற்றும்

மீண்டெழுந்திறன் எனும் அதன் மரபையும் கட்டியெழுப்பவும் அமானா வங்கி தயாராக உள்ளது. உறுதியான அடித்தளத்தை ஏற்படுத்தியுள்ள நிலையில், எமது சந்தை நிலையை வலிமைப்படுத்த இந்த வாய்ப்பை பயன்படுத்த நாம் எம்மை அர்ப்பணித்துள்ளோம். அண்மையில் நாம் பெற்றுக் கொண்ட முதலீட்டு-தர தரப்படுத்தல் என்பது, எமது நிதிசார் நிலையின் வலிமை மற்றும் கவனமான இடர் முகாமைத்துவத்துக்கான சிறந்த எடுத்துக்காட்டாக அமைந்துள்ளது. சந்தையில் எமது நம்பகத்தன்மையை மேலும் மேம்படுத்த இந்த தரப்படுத்தல் உதவியாக அமைந்திருக்கும் என்பதிலும், போட்டிகரமான நிதியளிப்பு மூலங்களை அணுகல் மற்றும் அதிகளவு முதலீட்டாளர் ஈடுபாடு போன்றன அடங்கலாக, வளர்ச்சிக்கான புதிய வாய்ப்புகளை ஏற்படுத்தும் என்பதிலும் நான் நம்பிக்கை கொண்டுள்ளேன்.

எதிர்காலத்தை நோக்கி நாம் நகர்கையில், ஆளுகையில் உயர் நியமங்களையும், நிதிசார் வழிகாட்டுதல்களையும் அமானா வங்கி தொடர்ந்தும் பேணும் என்பதுடன், இலங்கையின் நிதிசார் சுபீட்சத்தை நோக்கிய பயணத்தில் நம்பிக்கையை வென்ற பங்களாளர்களும் திகழும்.

நன்றி நவிலல்

அமானா வங்கியின் பணிப்பாளர் சபை அங்கத்தவர்களுக்கு மனமார்ந்த நன்றியை தெரிவிப்பதில் நான் மகிழ்ச்சியடைவதுடன், வங்கியின் தொடர்ச்சியான வெற்றிகரமான செயற்பாட்டில் அவர்களின் பங்களிப்பு மிக முக்கியமானவையாக அமைந்திருந்தன.

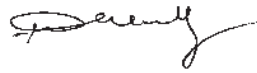
வங்கிக்கு ஒவ்வொரு வருடமும் புதிய மைல்கல் சாதனைகளை எய்துவதற்கு பக்கபலமாக அமைந்த முகாமைத்துவ பணிப்பாளர் / பிரதம நிறைவேற்று அதிகாரி திரு. மொஹமட் அஸ்மீர், முகாமைத்துவ குழுவுக்கு மற்றும் அமானா வங்கியின் முழு அணியினருக்கும் அர்ப்பணிப்பான செயற்பாடு மற்றும் கடின உழைப்பு போன்றவற்றுக்காக மனமார்ந்த நன்றியை தெரிவித்துக் கொள்கிறேன்.

தொடர்ச்சியாக வழிகாட்டல் மற்றும் ஆதரவுக்காக ஷரீஆ மேற்பார்வை குழுவுக்கு நான் நன்றி தெரிவிக்கிறேன். நெறிமுறை வங்கியியல் கொள்கைகளை பின்பற்றுவதற்கு இவை மிகவும் வலிமையூட்டியிருந்தன. OrphanCare இன் காப்பாளர் சபைக்கும் இந்தத் திட்டத்தை அர்ப்பணிப்புடன் முன்னெடுத்துச் செல்வதற்கு உதவுகின்றமைக்காக விசேடமாக நன்றி தெரிவிக்கிறேன்.

மேலும், இலங்கை மத்திய வங்கியின் ஆளுனர் மற்றும் அதிகாரிகளுக்கும், கொழும்பு பங்குப்பரிவர்த்தனையின் அதிகாரிகளுக்கும் அவர்களின் தொடர்ச்சியான ஆதரவு மற்றும் வழிகாட்டல்களுக்காக நன்றி தெரிவிக்கிறேன்.

தொடர்ச்சியாக எமது பயணத்தில் இணைந்திருக்கும் எமது வாடிக்கையாளர்கள் மற்றும் வியாபார பங்காளர்களுக்கும் இந்த தருணத்தில் நான் நன்றி தெரிவிக்கிறேன். உங்களின் நம்பிக்கை மற்றும் ஆதரவு போன்றன இன்றி எம்மால் வெற்றிகரமாக இயங்கியிருக்க முடியாது.

அமானா வங்கியின் மீது உறுதியான நம்பிக்கை கொண்டுள்ள எமது பெறுமதி வாய்ந்த உள்நாட்டு மற்றும் சர்வதேச பங்குதாரர்களுக்கும் மனமார்ந்த நன்றியை தெரிவிக்கிறேன். எமது நோக்கத்தில் நீங்கள் கொண்டுள்ள அசைக்க முடியாத நம்பிக்கையானது, எமக்கு எதிர்வரும் ஆண்டுகளிலும் உயர்ந்த நிலைக்கு செல்ல ஊக்குவிப்பதாக அமைந்திருக்கும்.



அஸ்கி அக்பராலி
தவிசாளர்

20 பெப்ரவரி 2025
கொழும்பு

MANAGING DIRECTOR/CEO'S REVIEW

2024 was a defining year for Amāna Bank, marked by solid growth and financial stability further reinforced by our investment-grade rating upgrade. These achievements reflect the confidence of our stakeholders and our unwavering commitment to fostering ethical, inclusive and development focused banking for a sustainable future.

In 2024, Sri Lanka experienced the long-awaited normalisation of economic conditions after years of prolonged challenges. It is therefore very encouraging to see GDP growth reaching 5%, surpassing initial expectations and also marking a significant turnaround following consecutive contractions in 2022 and 2023.

Market rates continued their downward trend throughout the year, stabilising at single digit levels, in turn providing much-needed relief, urging businesses towards expansion and investment. At the same time, the exchange rate appreciated, strengthening by almost 10% during the year.

As a direct consequence of these developments, the banking sector strengthened considerably in 2024. Industry-wide Return on Equity (ROE) improved significantly as banks benefited from reversals in impairment provisions, a trend that began towards end-2023 and gained further momentum in 2024. This was a sharp contrast to the heavy provisioning in 2022, which had weighed down banking sector profitability. Notably however, Net Finance Margins (NFM) came under pressure, as asset repricing continued to outpace deposit liabilities amidst the declining rate environment.

BUSINESS PRIORITIES

Capitalizing on the resurgence of economic activity in 2024, Amāna Bank intensified its efforts to further deepen the penetration across our core segments - SME and Retail.

Despite the primary focus on SME and Retail, the Corporate advances book gained healthy traction, where the Bank grew this segment by 11% recording a growth of LKR 4.7 billion.

Strategies to grow the retail segment yielded excellent results, with the retail advances book expanding by an impressive 22% year-on-year, driven largely by Leasing, Housing, and Personal Finance.

On the SME front, despite subdued credit demand and intense competitive pressure during the first half, a visible uptick in the credit appetite in the second half of the year paved the way for Amāna Bank's SME advances book to register strong growth. Fuelled by robust demand from wholesale and retail trade and other sectors, our total advances portfolio grew by 24%, to cross the LKR 100 billion milestone in Q3 2024 and close the year at LKR 111.3 billion.

Maintaining credit quality remained one of our highest priorities. We continued to enhance our asset quality, ensuring Amāna Bank's Stage 3 ratio remained one of the lowest in the industry. Our branches along with the central recovery unit worked proactively, as guided by Central Bank directions, to engage with customers and encourage them towards timely revival and settlements. As at 31 December 2024, Amāna Bank's stage 3 provision ratio stood at 1.3%, while the provision coverage improved to 59.6% from 56.5% in 2023. This was enabled by the Bank's strong Credit Underwriting, Risk Management and Compliance framework. In this context, the Bank was honoured with the awards for Best Performance on Risk Management at the ICC Emerging Asia Banking Awards 2024 organized by the Indian Chamber of Commerce.

Our funding strategy remained focused on attracting deposits. We achieved an impressive 16% growth in deposits,



surpassing the LKR 150 billion milestone, while strong savings growth contributed to a robust CASA performance. At 44%, Amāna Bank's CASA ratio stands as the highest among the listed banks.

FINANCIAL HIGHLIGHTS

Amāna Bank continued to further accelerate on its strong performance track record in 2024. Despite a decline in the top line, the Bank's Financing Margin was at a healthy 4%, which translated into Net Financing Income of LKR 6.9 billion.



“ We were honoured to be upgraded by Fitch Ratings to an investment-grade rating of BBB-(lka), with a stable outlook, in their latest review which was a clear testament to the Bank’s strength and stability ”

Net Fee and Commission Income recorded a year-on-year growth of 16%, reaching LKR 1.1 billion. Despite significantly lower market premium with improved USD liquidity, Net Trading Income contributed LKR 693 million to Total Operating Income which recorded LKR 8.7 billion. In line with the improved business climate coupled with higher engagement levels with non-performing and overdue customers, the Bank was able to reduce its impairment charges to LKR 290 million, resulting in Net Operating Income recording LKR 8.4 billion for 2024, denoting a 18% expansion compared to the LKR 7.1 billion reported in the previous financial year.

The Bank maintained a cost-to-income ratio of 53%, which in turn helped Amāna Bank record LKR 3.8 billion as Operating Profit before VAT on Financial Services and taxes for the year ending 31 December 2024, reflecting a 18% increase from the LKR 3.2 billion registered in 2023. Our total tax contribution, consisting 53% of our Operating Profit for the year, stood at LKR 2.0 billion.

Managing Director/CEO's Review *Contd.*

Driven by this strong financial performance, Amāna Bank's Return on Equity (ROE) and Return on Assets (ROA) improved to 8.0% and 1.6%, respectively in 2024, compared to 7.7% and 1.5% in 2023.

In this backdrop, we were honoured to be upgraded by Fitch Ratings to an investment-grade rating of BBB-(lka), with a stable outlook, in their latest review which was a clear testament to the Bank's strength and stability, reflected in our enhanced performance across key metrics. Post year-end, the Bank also obtained a rating from Lanka Rating Agency (LRA) of BBB+ with a stable outlook, further augmenting the confidence levels of all stakeholders.

DIGITALISATION TOWARDS ENHANCED CUSTOMER EXPERIENCE

Amāna Bank, continued to embrace and improve on our digital solutions ensuring customer-centricity, thereby creating a truly people-friendly banking experience that represents convenience, flexibility, and financial empowerment for all Sri Lankans around the Country. In our pursuit of accessibility and seamless service, we expanded digital banking capabilities in 2024, creating awareness on the "Your Bank" mobile app and its features whilst further enhancing our WhatsApp banking, all to empower users to manage their banking needs more simply and effortlessly from wherever they are.

We also strengthened redundancy systems to improve connectivity and minimise downtime for core banking and critical online banking applications.

Further underscoring our commitment to maintaining the highest levels of data protection and privacy, the Bank's information security posture was further strengthened with the implementation of a robust new Network Access Control system to preserve

the transactional integrity and protect sensitive customer data from unauthorised access.

At Amāna Bank, we have recognised the importance of technology adoption to transform our operations to be more agile, efficient, and responsive to the needs of our customers. Continuing with our digitalisation agenda in 2024, we commenced several notable projects, including multiple process automations. Such initiatives have led to significant improvements in turnaround time as well as resource optimisation.

In 2024, we witnessed extensive use of data analytics and business intelligence across various departments, which I am pleased to note has been instrumental in shifting our teams towards data-driven decision making to enable effective adaptation to changing market dynamics.

We have always believed that safeguarding customer data helps strengthen trust, in turn contributing to an outstanding customer experience. In 2024, we commenced work on obtaining the PCIDSS certification, a global standard for ensuring the security of payment card information. By adhering to these rigorous security standards on our card business, we aim to further enhance customer confidence and convenience.

EXPANDING OUR REACH

I am delighted to announce Amāna Bank's steady progress in expanding its physical footprint across the Country. In 2024, we took significant strides by establishing 7 new Self-Banking Centres (SBCs), strengthening our reach through a tried and tested low-cost expansion model, ensuring that more customers can experience seamless banking services closer to home. With these new additions, our SBC network has grown to 34, surpassing our traditional branch network.

Beyond mere expansion, our SBC strategy is proving to be a game-changer in advancing financial inclusion. By strategically positioning these centres in under-served regions, we continue to empower unbanked and underbanked communities with convenient access to essential banking facilities. This initiative further solidifies our efforts to foster economic participation by bridging gaps, and creating opportunities for individuals and businesses alike.

These investments on financial inclusion go hand in hand with our financial literacy programmes. We are committed to enhancing financial literacy as part of our mission to enabling growth and enriching lives, which aligns well with the Central Bank's 'Financial Literacy Road Map of Sri Lanka 2024-2028,' introduced under the National Financial Inclusion Strategy (NFIS) with the goal of creating a financially literate Sri Lanka.

In 2024, the Bank's Knowledge Marketing team conducted over 68 financial literacy programmes to reach diverse audiences, including A/L students, undergraduates, women entrepreneurs, trade associations, and professionals from diverse sectors. Further, our award winning GSK product, continues to serve the unbanked and underbanked segments in providing much needed access to emergency finance, at most competitive rates.

EMPLOYEE DEVELOPMENT

Influenced by the belief that our people are the driving force behind Amāna Bank's success, we continued investing in our people through several key initiatives designed to, build leadership capabilities, promote career progression, improve their standard of living and celebrate excellence within our workforce.

A major milestone was the successful completion of our inaugural Executive Leadership Programme, where 15 selected employees underwent comprehensive training to mould them into future leaders of the Bank.

The Amāna Bank Awards 2024, held to recognise and celebrate outstanding contributions of our employees, saw 4 individuals receiving the prestigious CEO Award, among many other awards. During the awards, we also recognised 180 staff members who were inducted into the '10 Years of Service' club. With this addition, I am honored to share that 25% of our workforce has now completed a decade or more with the Bank a testament to their dedication and loyalty.

FOCUS ON SUSTAINABILITY

As always, Amāna Bank's approach to sustainability revolves around the commitment to Environmental, Social and Governance principles. Our approach is built upon three key pillars: Business, Operations and CSR.

Amāna Bank's flagship social sustainability initiative, the OrphanCare project, recorded its 21st round of disbursement in 2024, benefitting of over 3,100 orphans across the Country without any form of discrimination, in adherence to the UN Charter on the Rights of a Child. OrphanCare also established valued collaborations with leading corporates, which I believe stands as a testament to the power of shared values and collective responsibility.

On the environmental front, the "Life to Our Mangroves" project, ventured in partnership with Biodiversity Sri Lanka to restore Sri Lanka's vital mangrove ecosystems, plays a crucial role in nature protection and conservation.

“ We took significant strides by establishing 7 new Self-Banking Centres (SBCs), strengthening our reach through a tried and tested low-cost expansion model, ensuring that more customers can experience seamless banking services closer to home ”

The year 2024, also witnessed Amāna Bank enhancing its presence within the sustainable finance space, where the Bank financed one of Sri Lanka's largest ground-mounted solar power plants in Kebitigollawa, which is also operated entirely by an all-women technical team.

AWARDS AND ACCOLADES

The year 2024 has been an outstanding one for Amāna Bank, in terms of awards and accolades. One of the most notable achievements was the ranking by the Asian Banker, where Amāna Bank secured the 24th position, an impressive achievement that places Amāna Bank among the Top 25 Strongest Islamic Banks globally.

Amāna Bank's excellence in Islamic finance continued to be celebrated at the IFFSA awards 2024, where the Bank was honoured with four major awards, including the prestigious titles of "Best Islamic Bank", "Best Islamic Finance Entity", and the ESG Award, as well as the "Spirit of Islamic Finance Award" for the South Asian region.

Within Sri Lanka's corporate rankings Amāna Bank advanced its position in LMD's Top 100 ranking, rising from 90th place in 2023 to 73rd position in 2024, no doubt a reflection of

the Bank's growing influence and consistent performance.

The Bank's enduring commitment to sustainability and ethical business practices was recognised at the SLIBFI Awards, where Amāna Bank claimed Gold in the ESG Award category on top of winning the Entity of the Year and Deal of the Year Awards.

FUTURE OUTLOOK

As we reflect on 2024, it has certainly been a year of significant consolidation and recovery for Sri Lanka, with strong GDP growth, stable market rates, a strengthening currency, and the improving health of the local banking sector, all signifying the collective progress in overcoming the economic challenges of the past. This positive trajectory not only offers reassurance regarding the nation's resilience but also lays a solid foundation for sustained growth and long-term stability.

Looking ahead, Amāna Bank is eager to capitalise on these opportunities. Our special focus will continue to be on SME growth. Further we remain optimistic that the full removal of import restrictions expected within 2025, will open up new opportunities for the Bank, especially in trade-related businesses.

Managing Director/CEO's Review *Contd.*

Additionally, the launch of Sri Lanka's 'National Digital Economy Strategy 2030,' signals an exciting phase of digital innovation and transformation in the local banking sector. This initiative aligns perfectly with our ongoing commitment to enhance our digital capabilities and offerings, ensuring that we remain at the forefront of innovation.

As we move forward, I am confident that Amāna Bank will continue to build on the momentum of 2024, capitalize on our potential by seizing emerging opportunities to drive our success and adapting to new challenges while contributing to the Country's economic progress.

APPRECIATIONS

In closing, I would like to express my heartfelt gratitude to the Chairman and the Board of Directors for their unwavering support, commitment, and conscientious stewardship of Amāna Bank. I would also like to thank our respected Sharia Supervisory Council for their invaluable guidance and advise. I also extend my sincere appreciation to the entire Amāna Bank team, ably led by our Management Committee members, for their dedication, passion, and unwavering commitment which continues to be a great source of competitive advantage for us.

A special word of thanks is due to the OrphanCare Trustees whose dedication, encouragement, and guidance have been vital in ensuring that the OrphanCare initiative continues to serve its intended purpose of making a meaningful impact on the community.

I would also like to express my gratitude to the Central Bank of Sri Lanka, the Securities Exchange Commission, the Colombo Stock Exchange and the Ministry of Finance for their continuous support and guidance.

To our loyal customers, Amāna Bank is sincerely grateful for the trust and confidence you have placed in us. Let me reassure you of our commitment to serve you with dedication in the coming years.

Lastly, my sincere gratitude goes to our shareholders. Your ongoing patronage over the years has been a pillar of strength for the Bank, and I look forward to your continued support as we strive to move Amāna Bank forward towards achieving even greater success in the years ahead.



Mohamed Azmeer
Managing Director/CEO

20 February 2025
Colombo



A SPECTRUM OF GROWTH IN IMPACT

Creating lasting impact through purpose-driven banking and finance, Amāna Bank fosters financial empowerment and sustainable development across Sri Lanka.

BUSINESS MODEL

INPUTS



FINANCIAL CAPITAL

- Equity Capital - LKR 22.8 Bn
- Customer Deposits - LKR 154.4 Bn



MANUFACTURED CAPITAL

- 33 branches
- 34 Self Banking Centres
- 6400+ Withdrawal Touch Points
- 1,100+ Deposit Touch Points
- 31 Gold Certificate Financing Units
- “Your Bank” Mobile App & WebPortal
- Online Retail Financing Portal
- eOnboarding Platform
- WhatsApp Banking



CUSTOMER CAPITAL

- Responsible Products
- Customer Communication
- Complaint Handling Procedure
- Data Privacy Software
- Fraud Prevention Procedures



INTELLECTUAL CAPITAL

- Brand Position
- Ethics and Conduct
- Industry Knowledge and Expertise
- Standards and Certifications
- Strategic Partnerships



HUMAN CAPITAL

- 899 employees
- Fair and Equitable Recruitment and Selection
- Competitive Remuneration and Benefits
- Performance Management
- Training and Development
- Leadership Development
- Employee Relations and Grievance Handling
- Safety and Wellbeing



SOCIAL CAPITAL

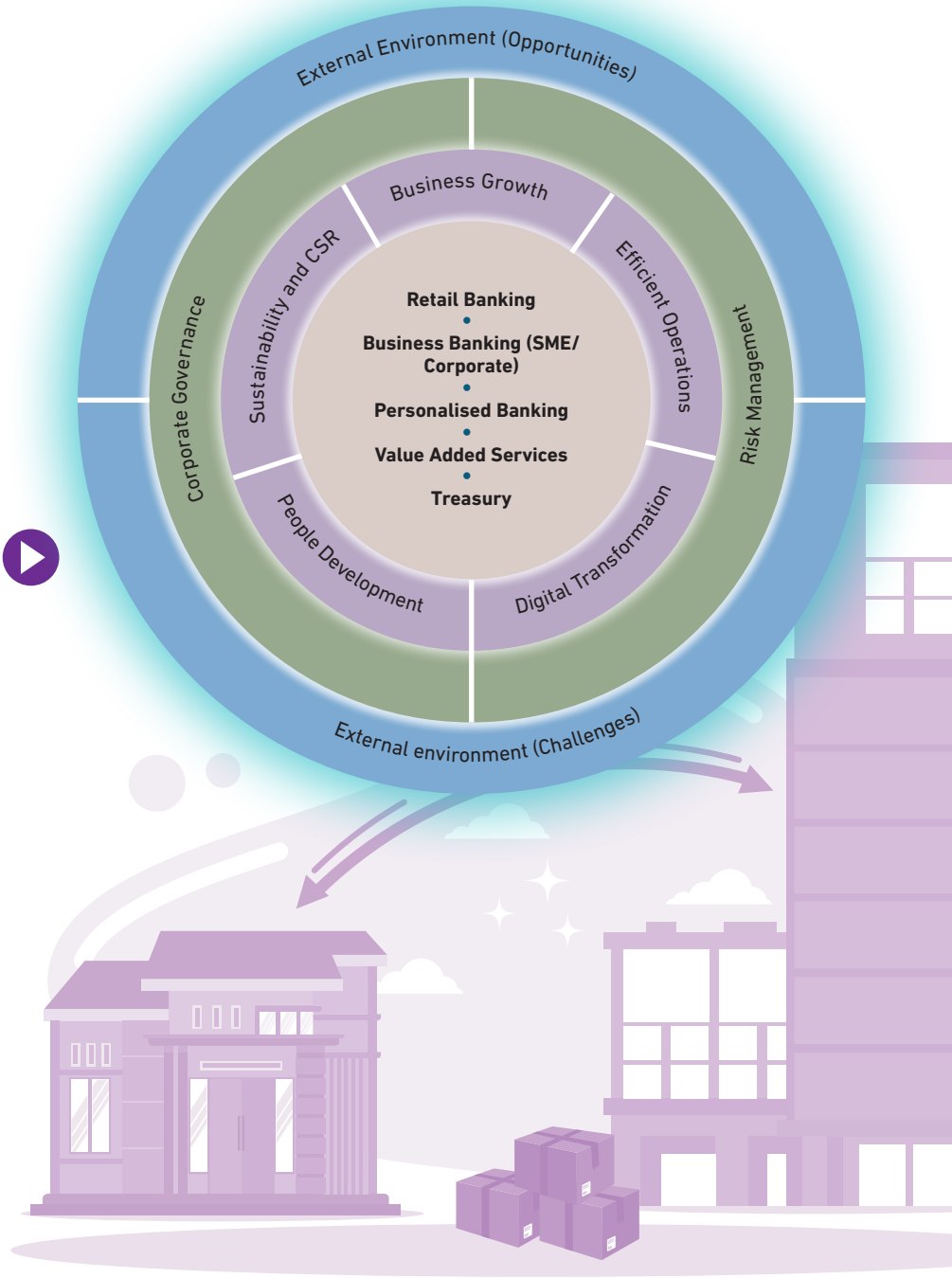
- OrphanCare Project
- Healthcare Access
- SME Sector Development



NATURAL CAPITAL

- Green Financing
- Energy Management
- Emission Management
- Water Consumption
- Waste Management
- Environmental Projects
- Awareness and Capacity Building

VALUE DRIVER ACTIVITIES



OUTPUTS



FINANCIAL CAPITAL

- Asset Book - **LKR 182.3 Bn** (LKR 159.4 Bn - 2023)
- Liabilities - **LKR 159.4 Bn** (LKR 137.8 Bn - 2023)
- Cost-to-income ratio of **53%** (42% - 2023)
- CASA Ratio **44%** (40% - 2023)
- Profit before Tax (PBT) - **LKR 2.8 Bn** (LKR 2.3 Bn - 2023)
- Profit After Tax (PAT) - **LKR 1.8 Bn** (LKR 1.4 Bn - 2023)



MANUFACTURED CAPITAL

- **28%** year on year increase in profit per branch
- **32%** year on year increase in CDM / ATM Transactions
- **40%** year on year growth in transactions through SBC's
- **39%** year on year growth in digital transaction volumes



CUSTOMER CAPITAL

- **5%** year on year increase in the customer base
- **Over 90%** customer retention rate (FD's)
- **Over 90%** Service Feedback Tabs Satisfaction Score
- **66,139** active digital customers
- **4.7 Mn** 'Your Bank' App Transactions (1.9 Mn - 2023)
- **21,126** 'Your Bank' App New Sign-ups
- **15,750** WhatsApp Banking Customers
- **27%** growth in Customer Transaction via POS
- **99.9%** Net Promoter Score



INTELLECTUAL CAPITAL

- Ranked among the Top 25 Strongest Islamic Banks in the World
- BBB-(lka) Stable Outlook Investment Grade Rating by Fitch Ratings
- BBB+ Stable Outlook Investment Grade Rating by Lanka Rating Agency
- Awarded Best Islamic Bank in Sri Lanka at the Euromoney Islamic Finance Awards 2024
- Awarded Sri Lanka's Best Islamic Finance Institution by Global Finance USA
- Awarded "Best Islamic Bank in South Asia 2024" at the Brands Review Magazine Awards 2024



HUMAN CAPITAL

- **84%** overall employee retention rate
- **100%** retention rate at management level
- High level of employee satisfaction
- **5 : 1** (M:F) Overall Gender Ratio
- **26%** increase in profit per employee



SOCIAL CAPITAL

- Good Standing in the community



NATURAL CAPITAL

- Total Emissions - **2,701 tonsCO2e**
- Emissions per employee - **3 tonsCO2e**
- Water Consumption per Employee - **17 m3**

STAKEHOLDER OUTCOMES



SHAREHOLDERS

- DPS - **LKR 1.20** (LKR 1.20 - 2023)
- Return on Equity (ROE) - **8.0%** (7.7% - 2023)
- Return on Assets (ROA) - **1.6%** (1.5% - 2023)

Financial Capital - Page 86



CUSTOMERS

- **89%** success rate for complaint resolution
- Access to finance (24% year on year increase in the advances book)
- Savings Opportunities (16% year on year increase in deposits)
- **68** Knowledge Marketing sessions

Customer Capital - Page 98 Financial Capital - Page 86



EMPLOYEES

- **148** New Recruits
- **103** Promotions
- **19%** Average annual salary increment (14% - 2023)
- **LKR 1.6 Bn** paid as total monetary benefits for the year (LKR 1.4 Bn - 2023)
- Tranche II of the ESOP

Human Capital - Page 103



REGULATORS

- **LKR 2.4 Bn** paid as taxes (LKR 1.9 Bn - 2023)
- Zero Ethics violations
- Zero incidents of non-compliance of regulatory requirements

Financial Capital - Page 86 Intellectual Capital - Page 94



COMMUNITY & ENVIRONMENT

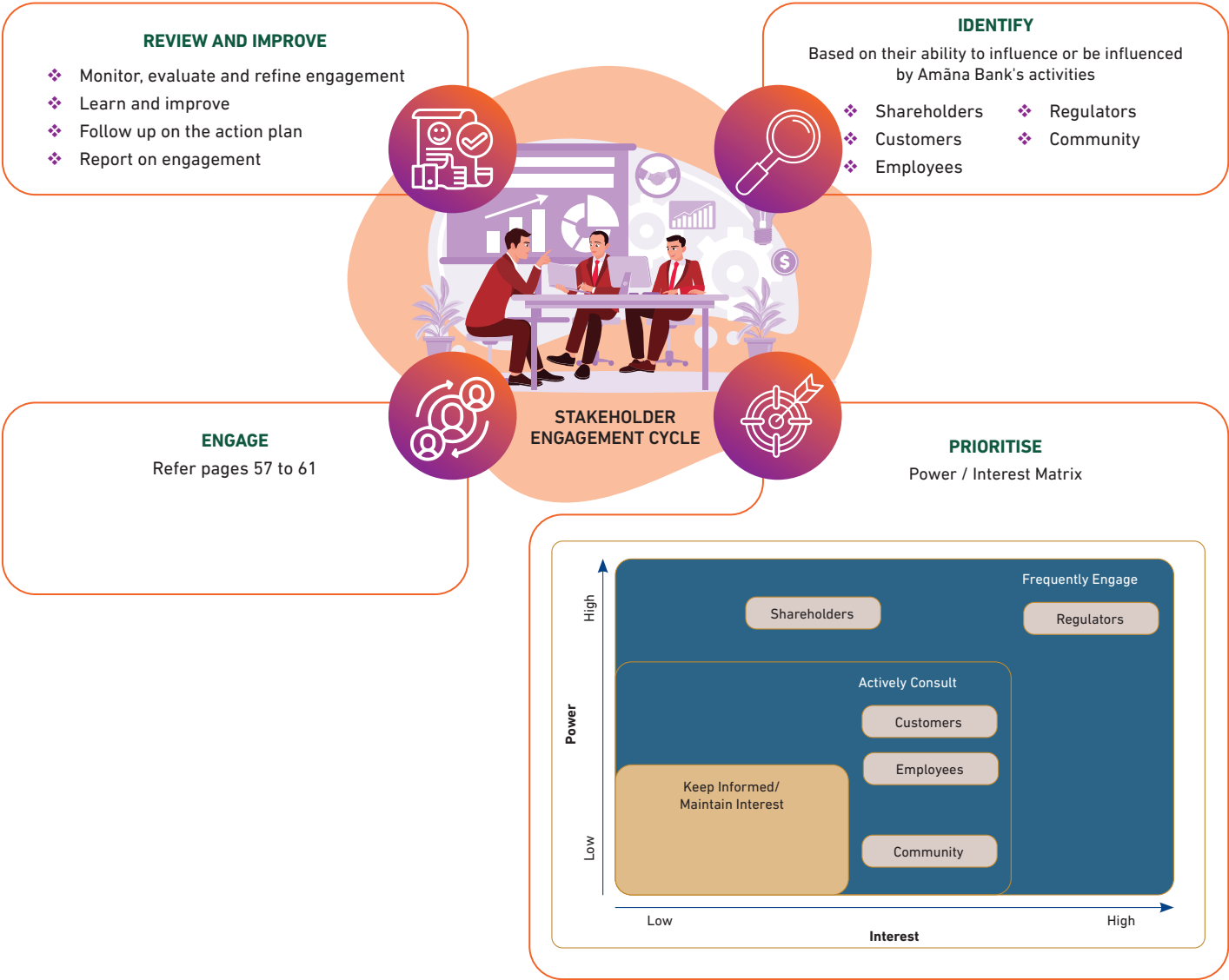
- **LKR 21.2 Mn** distributed under the OrphanCare project for the benefit of 2,500+ orphans in the care of 90 orphanages (LKR 75.6 Mn distributed to date through 21 rounds of annual disbursements benefitting 3100+ orphans)
- **LKR 19.4 Mn** on CSR projects
- **68** Knowledge Marketing sessions benefitting 8,500 members of the wider community
- **94,311 MWh** Power Generated through Financing Large Scale Renewable energy projects resulting in CO2e reduction of approx 66,960 tons

Social Capital - Page 114 Natural Capital - Page 112

STAKEHOLDER ENGAGEMENT

Operating within the highly competitive and rapidly-evolving local banking industry, Amāna Bank appreciates the importance of effective stakeholder engagement in shaping its strategic journey. By fostering strong relationships with stakeholders, the Bank gains valuable insights into their expectations to support informed decisions and implement strategies that address key concerns effectively. Engaging with stakeholders also serves as a platform for transparent communication, allowing the Bank to share updates on the measures taken in response to their feedback. This continuous dialogue ensures that Amāna Bank remains relevant and responsive to both market dynamics and societal needs.

To enhance the effectiveness of its stakeholder engagement efforts, Amāna Bank follows a structured four-step Stakeholder Engagement Cycle.





SHAREHOLDERS / INVESTORS

Amāna Bank has 8,652 shareholders. The Bank's principal shareholder is the Jeddah-based IsDB Group accounting for 28.24% stake in Amāna Bank

Amāna Bank's Commitment

A robust and well-thought out business growth strategy coupled with strong risk, governance and oversight to produce sustained financial results over time

Quality of Relationship

STRONG

Method and Frequency of Engagement

- ❖ Annual General Meeting
- ❖ Annual Report
- ❖ Extraordinary General Meetings (as needed)
- ❖ Interim Financial Statements (quarterly)
- ❖ CSE Announcements (as needed)
- ❖ Press Conferences / Press Releases (as needed)
- ❖ Corporate Website (continuous and ongoing)
- ❖ Social Media Platforms (continuous and ongoing)

Stakeholder Concerns and Expectations for 2024

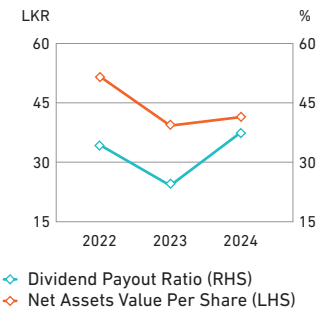
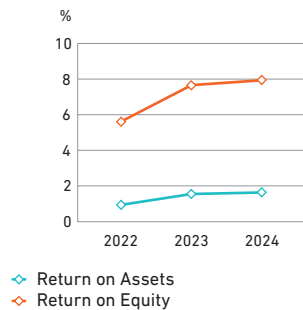
- ❖ Capital position
- ❖ Gearing exposure
- ❖ Strength of the Bank's risk and governance frameworks amidst the ongoing economic crisis
- ❖ Ability to generate stable returns notwithstanding challenges in order to ensure consistent dividend payout
- ❖ Ethical business practices

Material Matters

- ❖ Financial stability
- ❖ Capital Adequacy and Liquidity
- ❖ Governance, Risk Management and Compliance
- ❖ Model Compliant Products and Services
- ❖ Alternative Liquidity Instruments
- ❖ Business Ethics and Anti-corruption
- ❖ Information Security and Fraud Prevention
- ❖ Environmental Footprint

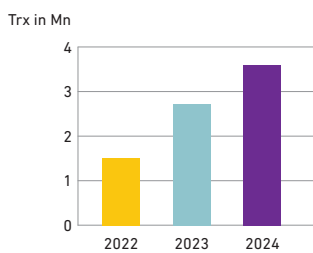
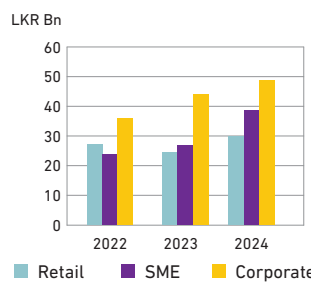
Value Created

Trend in Key Ratios



References:

Financial Capital - pages 86 to 89
 Risk Management Report - pages 206 to 231
 Corporate Governance Report - pages 120 to 167
 Intellectual Capital - pages 94 to 97
 Investor Relations - pages 338 to 341

CUSTOMERS		Amāna Bank's customer base consist of retail customers across Sri Lanka as well as SME and Corporate customers representing all key sectors of the economy																									
Amāna Bank's Commitment		Continuous investments to upgrade and update infrastructure, products, processes and service standards with the aim of ensuring 100% customer satisfaction and superior customer experience																									
Quality of Relationship		STRONG																									
Method and Frequency of Engagement		❖ Sales Teams / Branch Managers / Relationship Managers (continuous and ongoing) ❖ Customer Solutions Centre (continuous and ongoing) ❖ Promotional Activities (continuous and ongoing) ❖ Press Conferences / Press Releases (as needed) ❖ Corporate Website (continuous and ongoing) ❖ Social Media Platforms (continuous and ongoing) ❖ Knowledge Marketing Programmes (continuous and ongoing) ❖ Customer Surveys (as needed) ❖ Complaint & Feedback Framework (continuous and ongoing)																									
Stakeholder Concerns and Expectations for 2024		Material Matters	Value Created																								
❖ Availability of a range of flexible and customised financing solutions to cater to the needs of all customer segments ❖ Quick turnaround times ❖ Superior customer service ❖ Attractive earnings on deposits ❖ Digital convenience ❖ Data Security and Customer Privacy		❖ Model Compliant Products and Services ❖ Reliability of Service through Excellence and Digital Transformation ❖ Banking Convenience for Different Customer Segments ❖ Support for the Retail and SME segments ❖ Customer Access Channels ❖ Business Ethics and Anti-corruption ❖ Information Security and Fraud prevention	No. of Transactions through ATM/CDM Network <table><caption>No. of Transactions through ATM/CDM Network</caption><tr><th>Year</th><th>Trx in Mn</th></tr><tr><td>2022</td><td>1.5</td></tr><tr><td>2023</td><td>2.8</td></tr><tr><td>2024</td><td>3.5</td></tr></table> Portfolio by Segment <table><caption>Portfolio by Segment</caption><tr><th>Year</th><th>Retail (LKR Bn)</th><th>SME (LKR Bn)</th><th>Corporate (LKR Bn)</th></tr><tr><td>2022</td><td>28</td><td>25</td><td>38</td></tr><tr><td>2023</td><td>25</td><td>28</td><td>45</td></tr><tr><td>2024</td><td>30</td><td>40</td><td>50</td></tr></table> 7 new SBCs opened 99.9% uptime on digital and mobile platforms Zero incidents concerning breach of customer privacy References: Customer Capital - pages 98 to 102 Manufactured Capital - pages 90 to 93 Intellectual Capital - pages 94 to 97 Business Reviews - pages 77 to 82	Year	Trx in Mn	2022	1.5	2023	2.8	2024	3.5	Year	Retail (LKR Bn)	SME (LKR Bn)	Corporate (LKR Bn)	2022	28	25	38	2023	25	28	45	2024	30	40	50
Year	Trx in Mn																										
2022	1.5																										
2023	2.8																										
2024	3.5																										
Year	Retail (LKR Bn)	SME (LKR Bn)	Corporate (LKR Bn)																								
2022	28	25	38																								
2023	25	28	45																								
2024	30	40	50																								



EMPLOYEES

Amāna Bank's 899-strong team of employees located at across the branch network, including the Bank's head office

Amāna Bank's Commitment

Deliver holistic solutions to safeguard employees' financial well-being and strengthen their commitment towards the Bank

Quality of Relationship

STRONG

Method and Frequency of Engagement

- ❖ Management Meetings (as scheduled)
- ❖ Sales Briefings / Team Meetings (continuous and ongoing)
- ❖ Performance Appraisals (bi-annual)
- ❖ Internal Communications (continuous and ongoing)
- ❖ Employee Notice Board (as needed)
- ❖ Intranet (continuous and ongoing)
- ❖ Training Activities (continuous and ongoing)
- ❖ Awards Ceremonies (as scheduled)
- ❖ Other Bank events (as scheduled)
- ❖ Employee Surveys (as scheduled)

Stakeholder Concerns and Expectations for 2024

Material Matters

Value Created

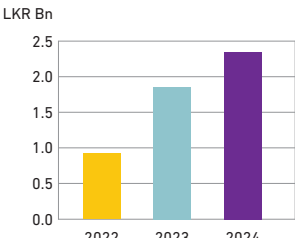
- ❖ Career development opportunities
- ❖ Recognition
- ❖ Learning and Development exposure
- ❖ Opportunity to benefit in the Bank's success, other than as an Employee
- ❖ Healthy Working Environment

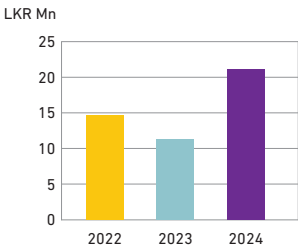
- ❖ Market Competitive Remuneration
- ❖ Non- Financial Benefits
- ❖ Career Prospects
- ❖ Business Ethics and Anti-corruption

148 new recruits
103 promotions
4 CEO awards Recipients, including the first female awardee
Tranche II of the Employee Share Ownership Scheme (ESOP), resulting in the granting of 2.78 million options
19 training hours per employee

References:

Human Capital - pages 103 to 111

REGULATORS		As a listed entity and the only licensed commercial bank in Sri Lanka to operate under non-interest based banking principles, Amāna Bank falls under the purview of several regulatory bodies, including the Central Bank of Sri Lanka, the Colombo Stock Exchange, the Securities and Exchange Commission of Sri Lanka, etc									
Amāna Bank's Commitment		Conducting business in full compliance with all applicable regulatory requirements and going beyond compliance to embrace voluntary adoption of ethics and best practices									
Quality of Relationship		GOOD									
Method and Frequency of Engagement		❖ Directives and Circulars (continuous and ongoing) ❖ CBSL Audit (periodic) ❖ Sharia Council Evaluations (at least 3 times annually) ❖ Interim Financials (quarterly) ❖ Annual Report (annual) ❖ CSE / SEC filings (as mandated) ❖ Other regulatory submissions (as mandated) ❖ Other meetings (as mandated)									
Stakeholder Concerns and Expectations for 2024		Material Matters	Value Created								
❖ Compliance with the new CSE listing rules on Corporate Governance ❖ Compliance with the Banking Act No. 30 of 1988 (as amended) ❖ Compliance with the Personal Data Protection Act ❖ Routine Compliance and Mandatory Filings ❖ AML / CFT Disclosures ❖ Tax Regulations		❖ Financial Stability ❖ Capital Adequacy and Liquidity ❖ Governance, Risk Management and Compliance ❖ Model Compliant Products and Services ❖ Reliability of Service through Excellence and Digital Transformation ❖ Support for the Retail and SME segments ❖ Alternative Liquidity Instruments ❖ Business Ethics and Anti-corruption ❖ Information Security and Fraud Prevention ❖ Local Community Development and Support ❖ Environmental Footprint	Taxes Paid <table><tr><th>Year</th><th>Taxes Paid (LKR Bn)</th></tr><tr><td>2022</td><td>~0.9</td></tr><tr><td>2023</td><td>~1.8</td></tr><tr><td>2024</td><td>~2.3</td></tr></table> Zero Incidents of Non-Compliance References: Corporate Governance Report - pages 120 to 167 Intellectual Capital - pages 94 to 97 Business Reviews - pages 77 to 82	Year	Taxes Paid (LKR Bn)	2022	~0.9	2023	~1.8	2024	~2.3
Year	Taxes Paid (LKR Bn)										
2022	~0.9										
2023	~1.8										
2024	~2.3										

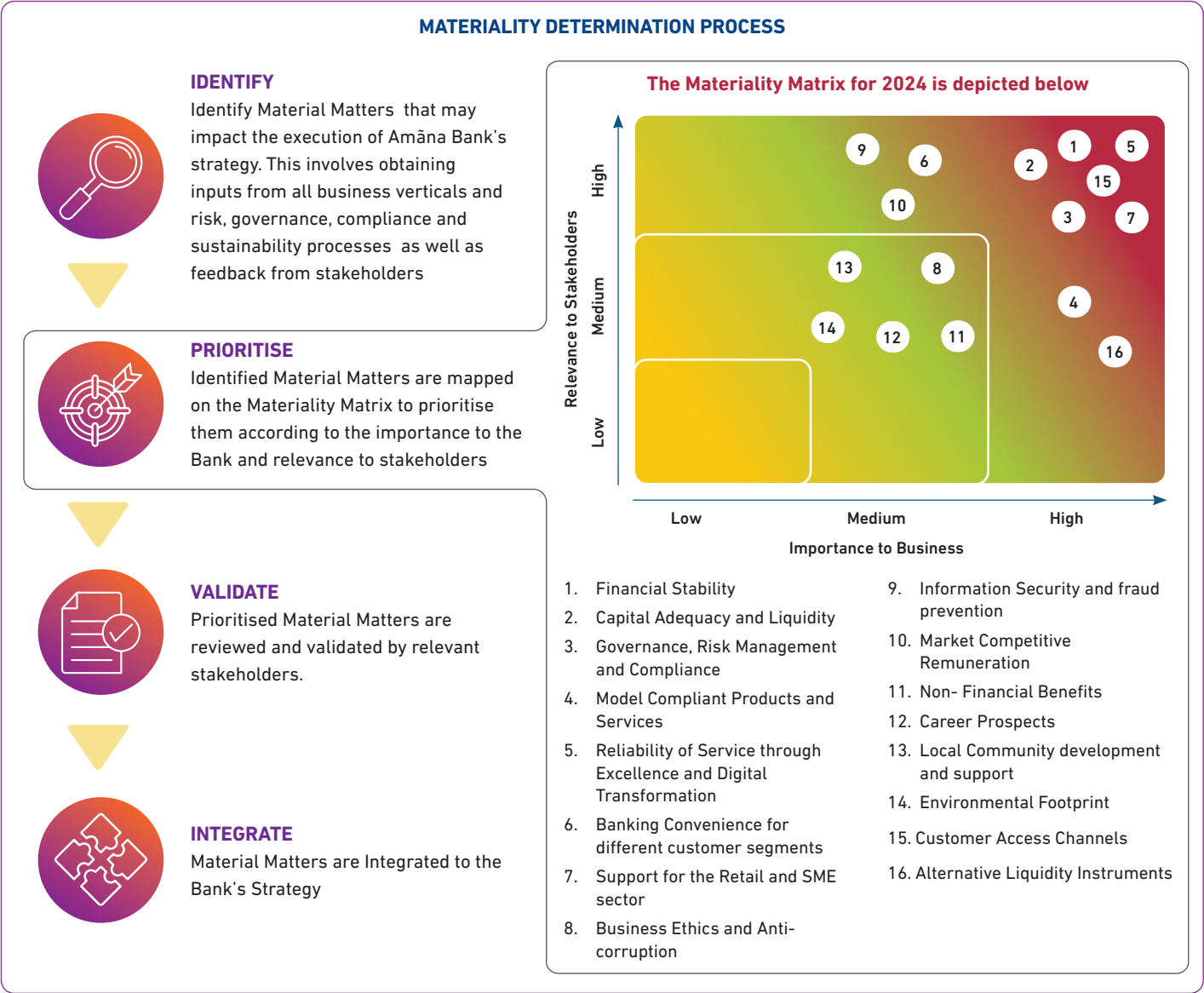
COMMUNITY		Interest groups, media, vulnerable communities and society at large								
Amāna Bank's Commitment		Coordinated and strictly managed efforts to assist communities in need								
Quality of Relationship	GOOD									
Method and Frequency of Engagement	❖ Press Conferences / Press Releases (As needed) ❖ Corporate Website (continuous and ongoing) ❖ Social Media Platforms (continuous and ongoing) ❖ Annual Report (annual) ❖ CSR initiatives (As needed) ❖ Knowledge Marketing Programmes (continuous and ongoing)									
Stakeholder Concerns and Expectations for 2024	Material Matters	Value Created								
❖ Opportunities to access financial assistance to minimise inequalities caused by the economic crisis ❖ Continued support for vulnerable communities ❖ Expectation of high standards of conduct and business ethics in all community activities	❖ Local Community Development and support ❖ Business Ethics and Anti-corruption	Distribution through the OrphanCare Project <table><caption>Distribution through the OrphanCare Project (LKR Mn)</caption><thead><tr><th>Year</th><th>Value (LKR Mn)</th></tr></thead><tbody><tr><td>2022</td><td>15</td></tr><tr><td>2023</td><td>12</td></tr><tr><td>2024</td><td>22</td></tr></tbody></table> Distribution through the OrphanCare 68 Education and awareness programmes on financial literacy References: Social Capital - pages 114 to 117	Year	Value (LKR Mn)	2022	15	2023	12	2024	22
Year	Value (LKR Mn)									
2022	15									
2023	12									
2024	22									

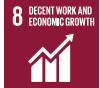
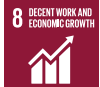
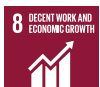
MATERIALITY

APPROACH TO DETERMINING MATERIAL ISSUES

Amāna Bank identifies Material Matters by assessing issues that significantly impact its ability to create value in the short, medium, and long term. Recognising that these factors evolve over time due to shifting macroeconomic conditions, emerging trends, and changing stakeholder expectations, the Bank continuously refines its approach to materiality assessment.

The identification of Material Matters is therefore an ongoing process that involves a thorough evaluation of risks, a deep understanding of stakeholder needs and expectations, and a careful analysis of political, economic, and legal environments. Additionally, Amāna Bank remains vigilant in monitoring best practices and emerging trends within the Islamic banking industry as well as the broader financial services sector, both locally and globally, to ensure its strategies remain relevant and responsive to the dynamic business landscape.



Material Topic	Risk Impacts	Link to Strategy	Capitals Impacted	Link to SDGs
Financial Stability	Credit Risk	Business Growth		   
	Market risk	Efficient Operations		
	Liquidity Risk			
Capital Adequacy and Liquidity	Credit Risk	Business Growth		   
	Market Risk			
	Liquidity Risk			
Governance, Risk Management and Compliance	Credit Risk	Business Growth		    
	Market risk	Efficient Operations		
	Liquidity Risk	Digital Transformation		
	Operational Risk	People Development		
	Sustainability Risk	Sustainability and CSR	 	
Model Compliant Products and Services	Operational Risk	Business Growth	 	 

Materiality *Contd.*

Material Topic	Risk Impacts	Link to Strategy	Capitals Impacted	Link to SDGs
Reliability of Service through Excellence and Digital Transformation	Operational Risk	Business Growth		   
		Efficient Operations		
		Digital Transformation		
		People Development	 	
Banking Convenience for Different Customer Segments	Credit Risk	Business Growth		  
	Operational Risk	Efficient Operations		
	Sustainability Risk	Digital Transformation		
		Sustainability and CSR	 	
Support for the Retail and SME sector	Credit Risk	Business Growth		  
	Market Risk	Efficient Operations		
	Operational Risk	Digital Transformation	  	

Material Topic	Risk Impacts	Link to Strategy	Capitals Impacted	Link to SDGs
Customer Access Channels	Operational Risk	Business Growth		  
		Efficient Operations		
		Digital Transformation	 	
Alternative Liquidity Instruments	Credit Risk	Business Growth	 	 
	Market Risk			
	Liquidity Risk			
Business Ethics and Anti-Corruption	Operational Risk	Digital Transformation		 
	Sustainability Risk	People Development		
		Sustainability and CSR	 	
Information Security and Fraud Prevention	Operational Risk	Efficient Operations		 
		Digital Transformation	 	
Market Competitive Remuneration	Operational Risk	People Development		   

Materiality *Contd.*

Material Topic	Risk Impacts	Link to Strategy	Capitals Impacted	Link to SDGs
Non-Financial Benefits	Operational Risk	People Development		3 GOOD HEALTH AND WELL-BEING 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES
Career Prospects	Operational Risk	Efficient Operations People Development		4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES
Local Community Development and Support	Sustainability Risk	Sustainability and CSR	 	1 NO POVERTY 4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES 11 SUSTAINABLE CITIES AND COMMUNITIES
Environmental Footprint	Sustainability Risk	Efficient Operations Digital Transformation Sustainability and CSR	  	1 NO POVERTY 7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION

STRATEGIC COMMITMENTS

Amāna Bank’s strategy is fundamentally shaped by its vision and mission, both of which are anchored to the principles of Islamic banking. These principles guide the Bank’s operations, ensuring that its approach to financial services is in alignment with key values, such as fairness, transparency, and social responsibility.

Bank’s Strategic focus towards prioritising and driving SME Business, provides due emphasis to this segment, being the key contributor to country’s GDP and economic progress.

The Bank’s customer-centric approach ensures that its financial services are tailored to meet the varied needs of its diverse clientele. This strategy not only drives

business growth but also contributes to the social and economic well-being of both its customers and society at large.

Amāna Bank also places significant emphasis on digital transformation as a means of improving internal efficiency as well as serving the evolving needs of its customers, particularly in an increasingly digital world. By leveraging on digital technology, Amāna Bank seeks to expand its reach and ensure that unbanked and underbanked segments have access to ethical financial services.

Also embedded within the Bank’s strategy is the dedication to employee empowerment and fostering a work environment that upholds equity and respect for all.

Further, Amāna Bank’s strategy is deeply influenced by the commitment to social responsibility. The Bank actively engages in community development and supports projects that promote sustainable economic growth, poverty alleviation, and social equity. These efforts are a natural extension of the Bank’s values, which stress the importance of ethical conduct and the welfare of the broader community.

Environmental responsibility is a central aspect of the Bank’s strategy. By supporting initiatives like green financing and investments in eco-friendly projects, the Bank reduces its environmental footprint and also assists the Country in its endeavour to contribute to broader sustainable development goals.

OUR VISION

To be an admired leader in providing equitable financial solutions, not limited to numerics, but also in earning the trust of our customers, employees, shareholders and country.

OUR MISSION

To adopt a unique and people friendly approach in banking with a passion for continuous improvement, enabling growth and enriching lives.

OUR VALUES

- ❖ We believe that you have a right to be treated fairly
- ❖ We believe that one should not gain at the expense of another
- ❖ We believe that being responsible and ethical is as important as making profits and gains
- ❖ We believe that entrepreneurship should be encouraged and given a fair opportunity to succeed
- ❖ We believe that the best of actions are the ones which create true happiness in people
- ❖ We believe that you feel the same way we do

Material Matters



IDENTIFY



PRIORITISE



VALIDATE



INTEGRATE

SDGs



STRATEGIC PILLARS



Business Growth



Efficient Operations



Digital Transformation



People Development



Sustainability and Corporate Social Responsibility (CSR)

Key Performance Highlights for 2024

LKR 182.3 Bn - Asset Base
(LKR 159.4 - 2023)

53%-cost-to-income
ratio (42% - 2023)

8% - ROE (7.7% - 2023)

1.6% - ROA (1.5% - 2023)

39% year-on-year growth
in digital transactions

84% overall employee
retention rate

LKR 21.2 Mn
distributed through the
OrphanCare project

Medium Term Targets

Improve profitability in line with Industry

Digital transformation for enhanced customer reach and convenience

Long Term Targets

Consistent above industry growth, both in advances and deposits, towards gaining market share.

APPROACH TO SUSTAINABILITY

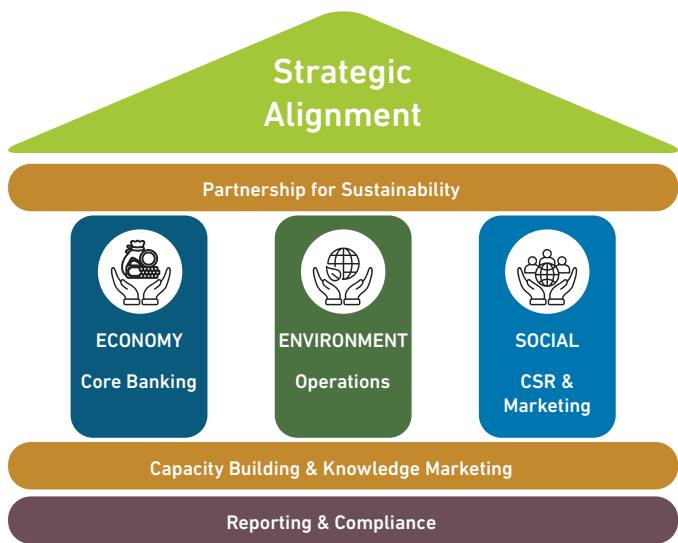
During 2024, the Board of Directors approved the Bank’s Policy for the Sustainable Banking Initiatives which was developed based on its unique Sustainable Banking Framework. The policy which benefited from the inputs of various stakeholders is now available on our website as extracts.

STRATEGIC ALIGNMENT

The Policy facilitates the implementation of the Sustainable Banking Strategy incorporated in to the Corporate Strategy of the Bank. In order to ensure strategic alignment, in 2024 the Sustainability Division undertook an Impact assessment at Goals and Target Levels of the UNSDGs, including Climate Action based on UNEP-FI’s Impact assessment methodology for institutional and consumer banking and the results was deliberated at the strategy sessions of the bank, in line with the strategic focus on SME and Retail Segments.

This strategic alignment complements and augments the People and Planet Friendly Banking Model of Amāna Bank, which is based on its universal values. It also facilitates the bank to align itself with the guidance and directions from the Central Bank of Sri Lanka on sustainable and green banking in a proactive manner.

Ethics and conduct remain at the heart of Amāna Bank’s people and planet friendly banking model, with the Board setting the tone from the top to uphold strong ethical standards. These principles are formalised in the Code of Conduct, which clearly outlines the expected behavior of employees. The Board-approved Anti-Bribery and Corruption (ABC) Policy reinforces the Bank’s zero-tolerance approach to bribery, fraud, and unethical practices



GOVERNANCE

The Board of Directors take special interest in progress of Sustainable Banking Initiatives at the Bank and under the approved policy and as part of the strategic update, progress on sustainable banking was reported on a quarterly basis throughout 2024.

The policy approved in March 2024, established the Sustainable Banking Initiative Committee (SBIC) chaired by the Managing Director/CEO and Management Committee members with a clear Terms of Reference (TOR) covering Economic Sustainability, Environmental Sustainability and Social Sustainability. The inaugural meeting of the SBIC was held in third quarter and followed by a meeting in the final quarter.

Bank’s Cross Functional Team on Sustainability consisting of team members from various business, support, control and resource divisions were keenly engaged in implementing many of the Sustainable Banking initiatives, which are discussed elsewhere, during 2024.

The Sustainable Banking Division, headed by a Mancom member, with dedicated and qualified staff on sustainability completed its first calendar year of operations, coordinating many of the achievements in Sustainable Banking during the year.

As the initiatives were rolled out at branch level, the support and engagement from the branch network for the sustainable banking initiatives remained high.



ECONOMIC SUSTAINABILITY

As a growing Bank with above industry growth in advances and assets over the last few years, Amāna Bank is keenly focused on aligning its core banking operations in line with the Sustainable Banking Strategy explained above.

Priority Sectors: The Policy recognises the sectors identified in the Central Bank Guideline number 05 of 2022 as a key component of priority sector in its credit decisions. In addition, the industries that qualify as direct eligibility in the Green Finance Taxonomy and MSMEs are identified as key sectors for development of economic sustainability under the Policy. The Bank has an exposure of over LKR 1,351 million as at the end of 2024 for Priority sectors, especially covering the areas of Renewable Energy and Sustainable Agriculture. This is in addition to the portfolio of SMEs, Retail Facilities including Financial Inclusion products such as Gold Safe Keeping Facility.

It is noteworthy that, during the year, the Bank was involved in financing a 10 MW ground mounted Solar Power Project in Kebitigollewa, which also is entirely operated by an all-woman technical team. The project is expected to produce 20.24 GWh of clean energy each year.

Green Financing

	Projects	Energy Generate (MWh)	CO2e reduction (Tons)
Large Scale Solar	15	17,338	12,312
Hydro	3	51,894	36,845
Biomass	1	25,079	17,806
Total	19	94,311	66,962

Amāna Bank has continued its financing towards the marine cultured fish farming venture. Total harvested fish tonnage from oceanic farm locations are 1,054.8 Mt during 2024 if otherwise would have been harvested from natural fish populations creating enormous stress of regenerative ability of oceanic fish populations.

Negative Sectors: Based on its Business Model and Universal Values, the Bank continues to uphold its policy of not funding socially harmful activities including Alcohol based industries, Tobacco based industries, gambling and gaming, or industries exposed to child labour, wildlife based industries as well as any activity deemed illegal under local regulations, international conventions, or agreements. The portfolio in the negative sectors continue to be nil throughout 2024.

Approach to Sustainability *Contd.*

Sustainability Linked Facilities: The Bank's policy is geared towards converting most of its book as Sustainability Linked Facilities, based on the advantageous position of having low exposure to high sensitive industries in its overall advances portfolio. In this regard, during 2024, the Covenants and Representations related to the Environmental and Social (E&S) Risks were in built in all new facilities and renewals as relevant, as a precursor to implementing Sustainability Management System (SMS) and mitigating E&S risks.

Data Security: The Bank obtained ISO 27001:2022 Information Security Standard certification during 2024, and continues to comply with all applicable data security laws and regulations. During the year, no data breaches were reported and no account holders were effected in this regard.

The Bank will continue to include environmental and social considerations in its credit decisions in 2025 and beyond. The Bank intends to review its Economic Sustainability during 2025 and set targets for its financing portfolio based on intensities, in line with the national standards.

ENVIRONMENTAL SUSTAINABILITY

Developing on the Institutional Sustainability Assessment in 2023 conducted by the Green Building Council of Sri Lanka, as a baseline study, the Bank implemented many of the recommendations related to Environmental sustainability during 2024 in line with the its Sustainability strategies.

Green House Gas Emission: The Sustainability Banking Division estimated the Green House Gas Emissions of the Bank during the year at 2,701 tons CO₂e for 2024. The estimation is based on the Green House

Gas Protocol and considers Scope 1, Scope 2 and Scope 3, other than Financed/Facilitated Emissions. In order to estimate GHG emissions, the team developed a database consisting of information from all branches and self-banking centers throughout the country on all identified scopes within the established boundaries. Despite Sri Lanka's lower emissions, higher vulnerability to climate risks will be evaluated, especially physical risks in 2025.

Indoor Air Quality: The Bank started initial monitoring of Internal Air Quality in 2024 at the Corporate Office, Main Branch and other selected premises, in line with the Guidelines for Indoor Air Quality in Sri Lanka (2022) published by the Ministry of Environment, in order to monitor and reduce any health related risks. Majority of the sample tests have returned satisfactory/good reading in the overall index. Bank's IT team is working on prototype model to measure IAQ at regular interval based on Internet of Things (IoT) in 2025.

Waste Management: A sustainable waste management initiative was established during the year with Cleantech (Pvt) Ltd for paper and PET bottle recycling. Further, a waste quantification procedure was introduced covering the segregated waste streams of polythene, food waste and deteriorated papers in selected locations.

Environmental Footprint: Based on the initial base line reports, Bank started measuring its footprint in multiple areas and the details are included in the Natural Capital section.

Emission Offset: Amāna Bank actively engages in high-impact special projects that promote social and environmental sustainability. A key environmental initiative,

the bank joined Biodiversity Sri Lanka (BSL), as a partner for the "Life to Our mangroves", a five-year project to restore 1 hectare of degraded mangrove land in Anawilundawa wetland sanctuary - one of six wetland sanctuaries that fall under Ramsar convention, crucial for biodiversity conservation. The Project is a joint effort between BSL, the Department of Wildlife Conservation (DWC), experts from Wayamba University and the International Union for Conservation of Nature (IUCN). This initiative aims to support climate resilience, carbon sequestration, and ecosystem restoration, aligning with national and global sustainability goals and contribute towards carbon offsetting in future.

The Bank intends to reduce its Emissions intensities from the current level (other than Finance Emission) by 5% during 2025.

SOCIAL SUSTAINABILITY

Amāna Bank has been a trendsetter in Social Sustainability since its inception. By providing alternative financial arrangements to customers and communities that had shunned the interest based financial models and preferred solutions based on financial discipline, without penal interests or hidden charges, the products and services offered by the Bank continue to be an attractive mode of social finance.

Orphan Care

OrphanCare is the flagship social sustainability project of the Bank and is detailed in Social Capital section on pages 116 to 117 of this Annual Report. Currently there are 3100+ registered orphans from 91 orphanages registered to benefit from this initiative.

**Entrepreneurship & Women
Empowerment**

Amāna Bank is committed to empowering women by offering dedicated funding facilities for women-led businesses and enterprises that promote gender inclusivity. The Bank’s exclusive “Ladies Units” continue to play an important role in driving financial inclusion and fostering gender equity across the country

Financial Inclusion

The Bank’s social sustainability strategy extends to promoting financial inclusion through its non-interest-based alternative banking solutions. One such initiative is Amāna Bank’s innovative Gold Certificate Financing solution, introduced as an ethical alternative to traditional pawning products offered by conventional banks and financial institutions, targeting unbanked and under banked segments.

During the strategic plan review for 2024, the Board approved regular contribution to the OrphanCare based on Profits of 2025. Further a fund was set up to encourage entrepreneurship and women empowerment up to LKR 100 million to encourage social sustainability in 2025.

**CAPACITY BUILDING AND KNOWLEDGE
MARKETING**

Capacity Building

To complement the significant acceleration in Amāna Bank’s sustainability agenda in 2024, a series of capacity building initiatives were also undertaken to improve staff awareness on key aspects.

In this regard a new course titled “Introduction to Sustainable banking: Capacity Building Level 01” was delivered through the Bank’s e-learning platform and made accessible via to all staff. A total of 235 staff members completed the course following the successful completion of the final examination.

“Introduction to Sustainable banking: Capacity Building Level 01” Course

Key thematic areas covered:

- ❖ Introduction to sustainable banking
- ❖ International treaties and agreements relating to sustainability (Paris Climate Agreement, UNSDGs)
- ❖ Global warming and Climate Change
- ❖ Implementation of sustainable banking
- ❖ Economic, environment and social sustainability in banking industry
- ❖ Sustainability reporting

All the staff of the sustainability division and the cross functional team also completed “Sustainable Banking Initiative”, an e-learning course offered by the Sri Lanka Bank’s Association.

Further, the staff of the sustainability division and the members of the cross functional team also attended various conferences, training programmes and awareness sessions organised by national and international organisations, including the:

- ❖ Sri Lanka Climate Summit (Code Red) 2024 organised by Ceylon Chamber of Commerce (Amāna Bank provided a sponsorship)
- ❖ 5 day training programme on “Consultant Development in Quantification of Carbon Footprint” conducted by National Cleaner Production Centre, Sri Lanka
- ❖ Workshop on Financing Industrial Energy Efficiency in Sri Lanka organised by United Nations Industrial Development Organization (UNIDO)
- ❖ Science Based Targets (SBTi) workshop organised by UNGC
- ❖ One-day workshop on energy management and conservation organised by Sri Lanka Sustainable Energy Authority
- ❖ Dedicated introductory workshop on application of SLFRS S1 & S2 for the Bank, conducted by Deloitte

Further, in encouraging the branches towards sustainable initiatives, the Bank carried out an evaluation of all its branches based on key sustainability criteria and recognised the best at the Amāna Bank Awards 2024.

Approach to Sustainability *Contd.*

Knowledge Marketing

Financial literacy and capacity form an integral part of Amāna Bank's overall approach to promoting financial inclusion. To that end, the Bank's Knowledge Marketing function conducts financial literacy programmes to address misconceptions about the non-interest-based banking model, thereby empowering individuals with the necessary information and skills to make informed financial decisions. Further details of such initiatives are discussed in the Social Capital of this Annual Report on pages 114 to 117.

During 2025, the Sustainable Banking Division intends to offer the in-house Capacity Building programme, module 2 to facilitate detailed workshop with hands on experience in carbon footprint calculations for customers and at branch level, specifically targeting front line staff.

REPORTING

The Bank has been following the reporting guidelines laid down in the Industry Standards for Commercial Banks, by Sustainability Standards Board (SASB). Accordingly, as detailed in the respective sections above, the relevant sustainability disclosures are made covering the following areas:

- ❖ Data Security
- ❖ Financial Inclusion and Capacity Building
- ❖ Incorporation of ESG factors in Credit Analysis
- ❖ Financed Emission

As the country's mandatory corporate ESG reporting has now evolved to a comprehensive SLFRS framework, it has become mandatory upon the top 100 listed companies in Colombo Stock Exchange to comply with such SLFRS framework, as of 1 January 2025. Amāna Bank being amongst the top 100 listed entities, has taken necessary initiatives to duly implement the SLFRS S1 & S2 standards. In this regard, the Bank has already engaged with consultants for their expert services, and in the meantime has carried out several Capacity building programmes for the staff as well as the Board of Directors, in this regard.

AWARDS AND ACCOLADES

The following awards were won by the Bank with regard to its sustainability activities:

- ❖ Best Deal of the Year (Gold) for financing Ground Mounted Solar Power Plant in Horana – SLIBFI Awards 2024
- ❖ Best Deal of the Year (Silver) for financing a roof top Solar Power for a Rice Mill – SLIBFI Awards 2024
- ❖ Best Finance Institution for ESG in Sri Lanka – SLIBFI Awards 2024
- ❖ Best Finance Institution for ESG in South Asia – IFFSA Awards 2024

The background of the entire page is a stunning sunset scene. The sun is a bright, glowing orb on the horizon, casting a brilliant orange and yellow light across the sky and a vast sea of fluffy, white and orange-tinted clouds. The sky above is filled with wispy, golden clouds. On the far right edge, there is a vertical decorative border featuring a colorful, abstract pattern of blue, red, and yellow floral or cellular motifs.

A SPECTRUM OF GROWTH IN LEADERSHIP

By pioneering people-friendly banking in Sri Lanka, Amāna Bank has led the industry's transformation into a success story, setting global benchmarks.

OPERATING ENVIRONMENT

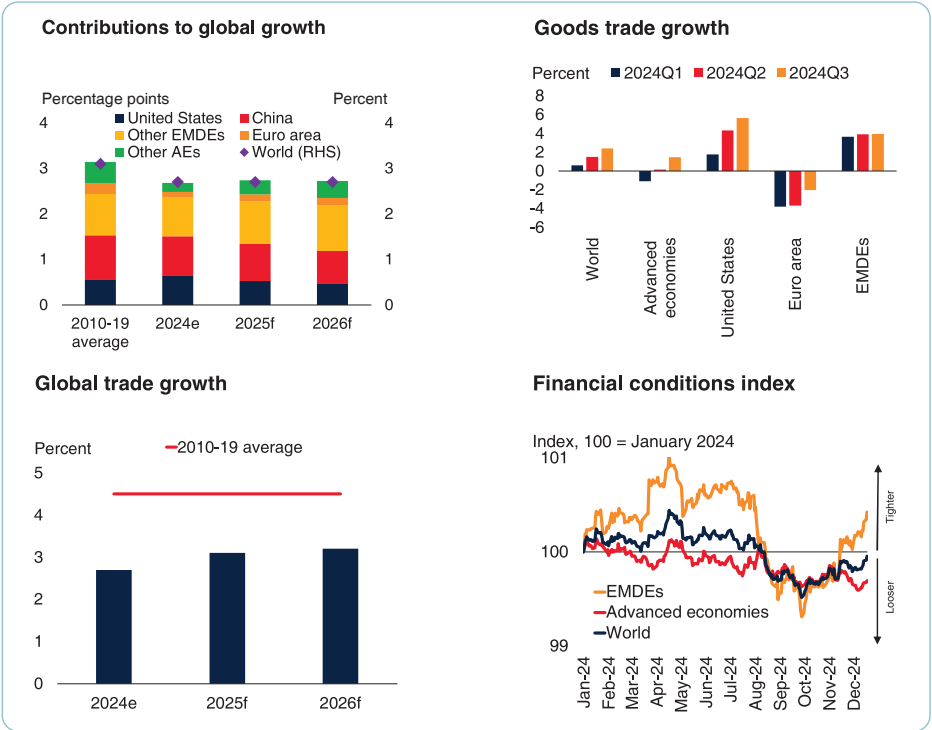
GLOBAL ECONOMY

The global economic context improved notably in 2024 after several years of overlapping negative shocks. Growth was largely supported by global monetary easing, recovering real incomes, improving domestic demand, and strong momentum in global trade and industrial activity, particularly in the latter half of 2024. As a whole, global growth is estimated at 2.7% in 2024. Advanced economies expanded by an estimated 1.7% in 2024, buttressed by steady U.S. growth and a modest pickup in the euro area. In contrast, the Japanese economy is estimated to have stagnated in 2024, while Growth in China declined to an estimated 4.9%.

Emerging Market and Developing Economies (EMDEs), excluding China, are projected to have grown by around 3.5% in 2024, amidst a steady increase in economic activity supported by the ongoing expansion in the services sector.

Aggregate commodity prices softened in 2024, reflecting improving supply conditions for energy and food commodities, despite heightened geopolitical tensions. Global headline inflation continued to recede last year amid easing energy and food prices, healing supply chains, and the lagged effects of tight monetary policy stances. In many advanced economies, year-on-year inflation has fallen below targets as fuel prices declined through last year and food prices stabilised. In EMDEs, headline inflation has continued to decline, coming within a percentage point of pre-pandemic levels by late 2024.

Global financial conditions continued to improve since mid-2024, mainly owing to the onset of monetary easing in the United States. The consequent improvement in investor sentiment translated into capital inflows towards EMDEs.



Source: Global Economic Prospects Jan 2025 (World Bank)

SRI LANKAN ECONOMY

Sri Lanka's economy demonstrated robust growth of 5% (estimated) in 2024, marking a strong rebound after six consecutive quarters of contraction. The resurgence was supported by a recovery in the construction sector, as government arrears were cleared and project financing resumed. The service sector was another notable contributor to the revival in economic activity during the year. The services sector expanded by 2.6% year on year, bolstered by growth in tourism-related industries. Meanwhile, the agriculture sector grew at a slower pace of 1.4% influenced by localised weather disruptions, and crop diseases during the Maha season.

Inflation based on CCPI, remained low throughout 2024, staying in single digits despite an early-year uptick due to agricultural disruptions and new tax measures. By December 2024, headline inflation remained in the negative territory to record a deflation of 1.7%, driven by lower utility prices, an appreciating currency and improved supply conditions. Core inflation stood at 2.7% year on year, reflecting the gradual recovery in demand. With inflation well below target, the Central Bank of Sri Lanka (CBSL) continued its accommodative stance, cutting policy rates, which were lowered by 50 basis points in March and 25 basis points in July, bringing the Standing Deposit Facility Rate to 8.25% and the Standing Lending Facility Rate to 9.25%. Through the introduction of the single policy rate mechanism, Overnight Policy Rate (OPR) was effective from November 2024, set at 8%.

Despite a widening merchandise trade deficit, inflows from tourism and remittances supported the current account. The trade deficit increased by 23.9% year on year in 2024, as imports grew by 12.1% year on year, outpacing export growth of 7.2% year on year. Earnings from tourism rose to USD 3.2 billion in 2024, a 53.2% year-on-year increase, supported by a 38.1% rise in tourist arrivals. Additionally, remittances grew by 10% year on year, reflecting sustained emigration trends. With external debt service payments remaining low, the current account remained in surplus in 2024. Moreover, with most external amortisation payments suspended, inflows from development partners, including the International Monetary Fund (IMF) and Asian Development Bank (ADB), are estimated to have contributed to a balance of payment surplus in 2024.

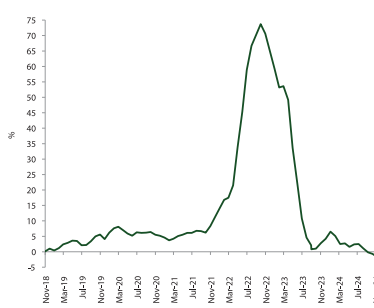
Source: Sri Lanka Review 2024 (World Bank)

GDP Growth

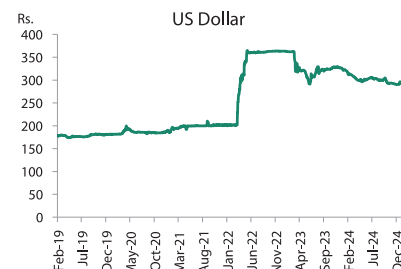
Annual Real GDP Growth



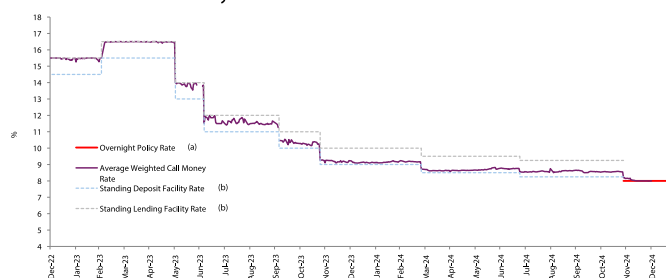
NCP| based Y-o-Y Headline Inflation



US Dollar



Policy Interest Rate and AWCMR



Retail Banking

- ❖ Focus on Home Financing: Strengthened partnerships with property developers to promote home financing solutions
- ❖ Expansion of CASA Deposits: Strong emphasis on current and savings accounts growth, particularly Children's Savings.
- ❖ Increase in Foreign Currency Deposits: Attracted higher FCY deposits due to the strong performance of the Rupee against major global currencies

- ❖ SME Sector Development: Targeted campaigns supported emerging and mid-size corporates, particularly in the Western province, while branch-led initiatives boosted agricultural sector financing in the Central and Eastern regions.
- ❖ Growth in SME Leasing: focus on promoting leasing of commercial vehicles and machinery driven by the resumption of construction activities.
- ❖ Value Chain Financing: Strengthened supplier and distributor networks of large corporates to enhance business expansion.
- ❖ Expansion in Import and Export Financing: Tariff revisions to grow export trade services
- ❖ Focus on Sustainable Finance: Special pricing and working capital financing were offered for projects aligned with long-term environmental goals.
- ❖ Deposit Mobilisation: Initiatives to attract low-cost long-term deposits to improve CASA.

Operating Environment *Contd.*

BANKING SECTOR UPDATE

The overall soundness of the banking sector as indicated by the Banking Sector Index (BSI) strengthened significantly in 2024 compared to the previous year, with sub-indices such as asset growth, asset quality, liquidity, profitability and capital adequacy, all recording notable year on year improvements.

Asset Growth		
Context	Key Indicators (Banking Sector – Q3 2024)	Key Indicators (Amāna Bank)
Heightened credit appetite against the backdrop of improving economic conditions and declining market rates saw the banking sector recording advances growth of 4.5% year on year as of Q3 2024. Credit granted to private sector institutions, which includes Non-Financial Corporates (NFCs) and Small and Medium Enterprises (SMEs), represented the largest portion of the Banking sector credit, followed by credit to individuals.	Banking sector loans and receivables - year on year growth of 4.5%	Amāna Bank Advances Growth: 24%
Asset Quality		
Context	Key Indicators (Banking Sector – Q3 2024)	Key Indicators (Amāna Bank - 2024)
Influenced by improving economic conditions, the banking sector Net Stage 3 Ratio, decreased to 12.4% by Q3 2024 from 13.5% at the end of Q3 in the previous year. Within the sector, Domestic Systemically Important Banks (DSIBs) and foreign banks reported declines in their respective Stage 3 ratios, while there was an increase in other domestic banks' ratios.	Net Stage 3 ratio: 12.4%	Stage 3 Impaired Financing Ratio: 1.3%
Liquidity		
Context	Key Indicators (Banking Sector – Q3 2024)	Key Indicators (Amāna Bank - 2024)
The banking sector exhibited robust liquidity in 2024, with Rupee Liquidity Coverage Ratio (LCR) surpassing the minimum regulatory requirement of 100% to reach 344.9% by Q3 of 2024, higher than the position at end December 2023.	Banking sector LCR (All Currency): 284.4%	Amāna Bank LCR (All Currency): 252.8%
Profitability		
Context	Key Indicators (Banking Sector – Q3 2024)	Key Indicators (Amāna Bank - 2024)
The Banking sector reported a Profit After Tax (PAT) of LKR 180 Bn up to Q3 2024 compared to LKR 144 Bn at end Q3 2023, denoting a 25% year on year improvement.	ROA: 1.9%	ROA: 1.6%
Consequently both Return on Equity (ROE) and Return on Assets (ROA) of the Banking sector improved notably in 2024 compared to the previous year.	ROE: 12.5%	ROE: 8.0%
Capital		
Context	Key Indicators (Banking Sector – Q3 2024)	Key Indicators (Amāna Bank - 2024)
The Banking Sector Capital Adequacy Ratio (CAR) improved driven by strong profitability, new issuance of Tier-2 debenture capital and significantly diverted funds into risk free government papers.	Tier 1 CAR: 14.8%	Tier 1 CAR: 15.0%
	Total CAR: 18.5%	Total CAR: 17.6%

Source: Central Bank of Sri Lanka

BUSINESS BANKING

A combination of strategic foresight and practical adaptation saw Amāna Bank's Business Banking Unit registering a strong performance for 2024. Greater macroeconomic stability throughout the year allowed the Bank to systematically recalibrate its portfolios and refine its business plans to effectively navigate challenges while capitalising on potential opportunities for sustainable growth.

Exponential growth in the tourism sector presented a compelling opportunity, leading the Bank to strategically deepen its exposure to tourism-related projects. Similarly the revival of the apparel sector in Sri Lanka offered new growth avenues. With many factories that previously outsourced manufacturing to overseas locations, resuming operations locally, the Bank positioned itself to capitalise on opportunities to support these enterprises.

All core business banking offerings performed exceptionally well against this backdrop. Capital expenditure financing benefited from increased investment and expansion across key sectors, including manufacturing, tourism, apparel, and renewable energy projects, while working capital financing gained momentum as businesses became more willing to take on calculated risks amid lower financing rates.

Good growth was experienced on the import and export financing side as well. Tariff revisions and proactive alignment with market dynamics, enabled the Bank to expand its export trade services to attract new customers while growing market share within the existing customer base.

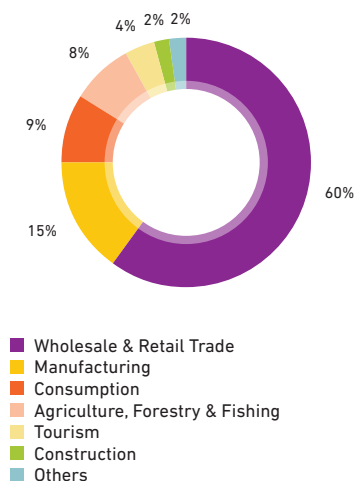
Marking a notable shift in Amāna Bank's Sustainable finance also took center stage during the year, with the Bank offering special pricing for sustainable projects and working capital financing for initiatives aligned with long-term environmental goals.

The Bank also made a deliberate effort to prioritise SME sector development, with more emphasis on nurturing emerging and mid-size corporates. Recognising the untapped potential of SMEs, particularly in the Western province, the Bank launched an aggressive campaign to penetrate this segment. With low financing rates creating a conducive environment for businesses to enhance their working capital, resume operations, expand capacity, diversify, and modernise, an aggressive branch-led campaign was initiated to support the agriculture sector in the Central and Eastern regions, where a noticeable uptick was seen in the demand for working capital financing.

The SME leasing portfolio also witnessed strong growth, against the backdrop of increased demand for transport and machinery leasing driven by the resumption of construction sector activities around the Country.

Meanwhile, improved performance of the trading and manufacturing sector on the back of the rupee appreciation and broader economic stability, also created a favourable environment for Amāna Bank to cultivate new relationships with SME's requiring trade finance services. Other proactive efforts to drive new customer acquisition, included value chain financing, particularly targeting supplier and distributor networks of large corporates alongside the aggressive campaign to promote the Business Plus proposition to the SME Regional segment.

Sectors Financed - 2024



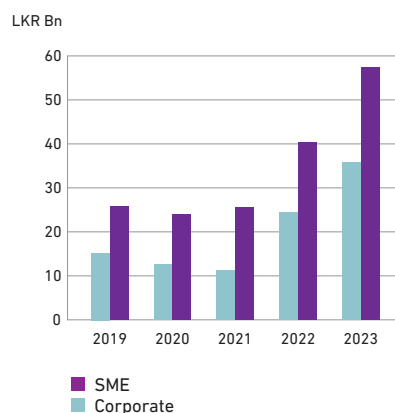
A culmination of these efforts saw Amāna Bank's SME segment delivering a robust performance with growth recording LKR 11.9 billion for the year.

On the liabilities side, deposit mobilisation activities gathered momentum in 2024 with the Bank succeeding in attracting low-cost long-term deposits. The new proposition-based scheme to drive Current Account and Saving Account (CASA) deposits growth among SMEs, also proved immensely popular among the target market.

Meanwhile, the reversal of rules governing the recovery of collateral-based facilities posed a significant challenge exerting pressure on the Bank's asset quality. The regulatory changes introduced during the 1st half of 2024, which delayed the obligation for clients to resume repayments, hampered the recovery process. Despite these challenges, the Bank achieved notable progress in reducing Non-Performing Assets (NPAs), thanks to proactive recovery efforts, underpinned by consistent engagement

coupled with a focused strategy to revive client businesses. The Bank's dedicated revival unit continued to play a pivotal role in restructuring facilities and supporting business turnarounds, enabling clients to stabilize operations and resume repayments. Advisory services to enable clients to safeguard their credit profile also proved to be vital in ensuring long-term sustainability and financial health of customers. The SME segment, particularly in the Western region, and large corporates benefited significantly from these rehabilitation initiatives.

Business Banking Portfolio



Performance Highlights

LKR Mn	2024	2023	Change
Financing Income	8,850	10,581	-16%
Net Fee and Commission Income	583	593	-2%
Total Income	9,433	11,175	-16%
Gross Advances	87,441	70,934	23%
Deposits	31,867	33,655	-5%

WAY FORWARD

Moving forward, Amāna Bank's strategy will center on value chain financing as a key driver to tap into the emerging corporates and SME segments. By leveraging its corporate portfolio and engaging with distributors and suppliers, the Bank aims to create an ecosystem to foster growth across diverse customer tiers while contributing to broader economic progress.

Further with the country's credit rating strengthening and the local equities market reporting robust performance, Amāna Bank is well-positioned to explore new opportunities, including margin trading. The reopening of the vehicle market is also expected to fuel the demand for leasing and trade finance solutions from both SMEs and top-tier corporates.

A key project in the pipeline is the anticipated Visa approval for the installation of POS terminals, which will enable Amāna Bank to achieve primary status in this domain. This initiative will also lay the groundwork for robust growth in CASA deposits, particularly within the SME sector, while serving as a platform for expanding financing opportunities to both SMEs and top-tier corporates. The Business Plus value proposition will also be promoted more aggressively in 2025 with the objective of increasing CASA and expanding the wallet share of the SME segment.

RETAIL BANKING

Amāna Bank's Retail Banking segment delivered its best-ever performance in 2024 with all key metrics surpassing targets set for the year. The retail advances portfolio witnessed steady growth driven by heightened demand for credit against the backdrop of greater economic stability in 2024. The Retail advances portfolio recorded its highest-ever growth of LKR 5.4 billion in 2024, almost 18% higher than the previous high of LKR 4.5 billion achieved in 2021. The retail customer base also expanded by 7.5% year on year.

Growth was fuelled mainly by the visible upswing in the housing market after a lapse of nearly four years as economic conditions improved and market rates stabilised. Seeing the demand for high-end condominiums seemingly on the rise, the Bank tied up with a number of leading property developers to drive home finance solutions. Striving to give customers the opportunity to benefit from the prevailing low rate environment, efforts to promote home financing were stepped up. To further support these efforts, back-end workflows were automated and further streamlined to enable customers benefit from faster end-to-end turnaround times. Consequently, Amāna Bank's home financing portfolio registered a 29% growth compared to the previous year.

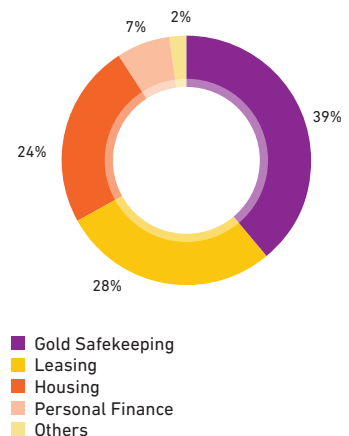
Similarly, the Bank's solar financing portfolio also recorded a marked improvement in the current year, amidst renewed interest in solar investment at a household level coming on the back of favourable policies, subsidies, and incentives aimed at increasing renewable energy adoption. As part of a focused effort to grow its bandwidth in this space, partnerships with leading solar agents were further strengthened to drive the solar financing product, which saw Amāna Bank's solar financing portfolio showing a substantial 240% increase year on year. The result underscores the timeliness and

relevance of the Bank's solar financing scheme, while further solidifying Amāna Bank's commitment to the CBSL's sustainable finance roadmap.

Within the retail financing portfolio, vehicle leasing achieved a 54% growth despite continued challenges from the ongoing vehicle import restrictions, now in its fourth consecutive year. This growth was driven by demand for the second-hand and locally-assembled vehicles, which have been the mainstay of the leasing business since the imposition of import restrictions in 2020. While lower market rates would typically spur greater demand, many customers have postponed their vehicle purchases in anticipation of import restrictions being relaxed in the first quarter of 2025, potentially expanding market opportunities.

In the meantime the Bank continued to prioritise leasing of electric vehicles, reflecting the commitment to align with the government's move promote sustainable finance.

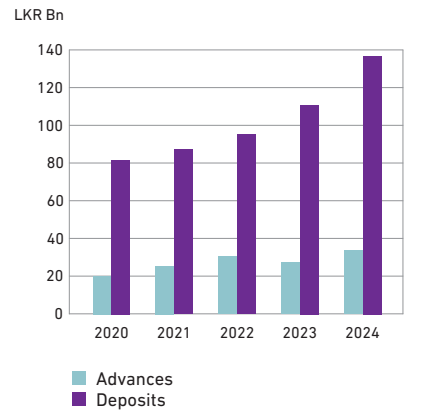
Retail Portfolio Mix - 2024



Meanwhile gold safekeeping (GSK) portfolio - which has shown incremental growth over the years, registered a marginal decline in 2024. This was largely due to the conscious decision by the Bank to recalibrate the

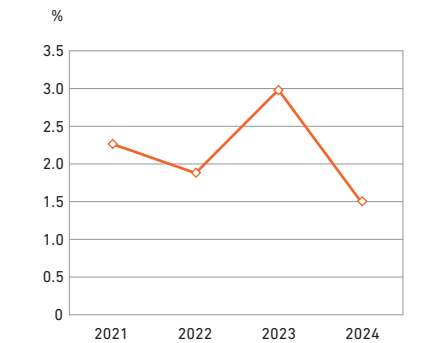
portfolio mix to improve the overall health of the retail advances portfolio. The main objective of this exercise was to reduce the dependence on GSK.

Retail Banking Portfolio



2024 saw Amāna Bank recording one of the lowest Stage 3 financing ratio in the local banking industry - the result of consistent customer rehabilitation undertaken by the Bank over the past few years alongside the overall improvement in economic conditions in 2024. Retail Stage 3 financing ratio was maintained at 1.48% as at the close of 2024. Meanwhile, recognising that a sizeable share of customers remained under stress even in 2024, the Bank continued with customer rehabilitation initiatives to help streamline their repayments.

Stage 3 Impaired Financing Ratio



On the Deposit side, the declining rate environment had an adverse impact on LKR deposits, both in terms of retention and mobilising new accounts. However, supported by proactive customer engagement and relationship building initiatives, the Bank succeeded in maintaining an overall retention rate of over 90% for term deposits, while the LKR deposit portfolio recorded growth of 20% year on year.

Significant growth was seen in CASA as well. With the strong emphasis on savings growth, especially children's savings gaining good traction, Amāna Bank ended 2024 with a CASA ratio of 44% - the best in the local banking industry.

LKR Mn	2024	2023	Change
Financing Income	3,963	3,945	1%
Net Fee and Commission Income	425	329	39%
Total Income	4,388	4,274	3%
Gross Advances	30,081	24,653	20%
Deposits	122,538	99,283	27%

WAY FORWARD

Going forward - home financing will be the main focus. Supported mainly through branch-led promotional activities, the Bank will aim to double the current home finance portfolio by end 2025.

Solar financing will also remain a key priority, especially with the interest in renewable energy expected to gain further momentum in the coming years against the backdrop of the growth in the housing sector.

Moreover, with all indications pointing to the lifting of vehicle imports in 2025, the vehicle leasing market is set to grow, catalysed mainly by the demand for electric vehicles, thus providing strong opportunities for Amāna Bank to pivot its leasing business towards a more sustainable model.

Mobilising deposits, however, is expected to be challenging in the coming year, as bank deposits become less attractive against the backdrop of low market rates that are likely to remain low for the foreseeable future. Amāna Bank for its part will look to take a fresh approach centred around value enhancements to drive deposit mobilisation activities and grow CASA.

TREASURY

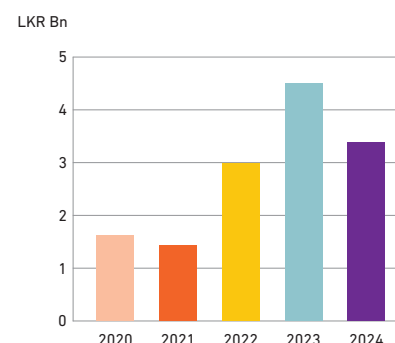
Amāna Bank's Treasury activities in 2024 were shaped by several key developments including the 11% appreciation of the Sri Lankan Rupee bolstered by increased tourist earnings and steady growth in worker remittances. Meanwhile, influenced by CBSL's decision to cut policy rates, short term benchmarked yields declined sharply by almost 40% in 2024.

Market dynamics in the FX market also shifted in the latter part of the year with premiums on FX transactions recording a steep decline by December. This reduction, combined with political uncertainty due to the Presidential and General Elections and attention on the Island's debt restructuring process, contributed to heightened market volatility. At the same time, the highly liquid interbank market also posed challenges, as placing funds became increasingly difficult.

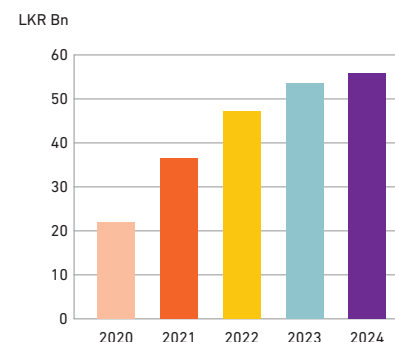
Despite these challenges, proactive efforts by Amāna Bank's Treasury enabled the Bank to register satisfactory gains in trading and money market activities, albeit at lower levels than the previous year. Additionally, leveraging the improvement in the Bank's external rating, the Financial Institutions (FI) Unit under the Treasury Division, initiated discussions to strengthen counterparty engagements and enhance credit limits with overseas correspondent banks. A concerted effort was also taken to strengthen ties with global correspondent banks, with two new RMAs (Relationship Management Application)

relationships were formalized during the year. With these additions, Amāna Bank closed 2024 with 70 active correspondent banking relationships, reinforcing its global presence and paving the way for sustained growth and deeper market integration in the years ahead.

Treasury Income



Treasury Assets



New RMAs - 2024			
Country	Bank Name	SWIFT Code	RMA Established. Date
Australia	Standard Chartered Bank, Australia	SCBLAU2S	3 April 2024
Jordan	Safwa Islamic Bank - Amman, Jordan	JDIBJOAM	17 January 2024

WAY FORWARD

With the completion of the Country's debt restructuring process along with the upgrade in Sri Lanka's sovereign rating, Amāna Bank's Treasury will look to capitalise on expected increase in foreign participation in both debt and equity markets. Strengthened investor confidence, supported by a more stable political environment and a government demonstrating commitment to economic reforms, is expected to drive greater liquidity and enhance market opportunities.

In this evolving landscape, Treasury and FI will continue with efforts to deepen foreign counterparty relationships and enhance the correspondent banking network with a view to expanding the Bank's reach across international markets.

REPORT ON SHARIA SUPERVISION

By the Grace of Almighty Allah, Amāna Bank PLC has completed 13 years of commercial operations in 2024. During the year under review, the Sharia Supervisory Council (SSC) of the Bank held three SSC meetings and two Executive Committee (ExCom) meetings to review various products, modifications, concepts, transactions & processes.

NEW PRODUCTS APPROVED BY THE SSC DURING THE YEAR

1. Alternative Speed Draft Product Based on the Ijara Concept

SHARIA REVIEW AND COMPLIANCE PROCESS

To ensure that revenue generated by the Bank adheres strictly to conjunctions of the rules and principles of Sharia, the Sharia Supervision Department (SSD) actively assessed various operational activities throughout the year. Credit approvals, restructuring of financing facilities, customer specific transaction process flows, text of Letters of Guarantee and Sharia Documents were reviewed to ensure Sharia compliance when offering financing products to the customers.

The Sharia Review function plays a vital role in achieving the objective of ensuring Sharia compliance by evaluating adherence to the rules and principles of Sharia in all activities undertaken by the Bank.

The SSD focuses on matters pertaining to the rules and principles of Sharia, enabling the facilitation of smooth operations whilst ensuring Sharia compliance at all levels in the Bank.

Income Generated from Retail Financing (LKR '000)	3,962,917
Income Generated from Business Financing (LKR '000)	8,849,676
Number of Transactions Performed	10,166
Number of Transactions Reviewed	10,166
Total Gross Advances as at 31 December 2024 (LKR '000)	117,521,906
Impaired Financing and Advances (Stage 3) Ratio	1.3%

Moreover, physical inspections were conducted on a random basis and measures were taken to verify the relevant purchase evidences / invoices, further enhancing the controls. All financing granted using various products and services during the year were reviewed by the SSD and their alignment with the guidelines issued by SSC was also verified.

The process and the scope of the review included the following:

- ❖ Invoices and other related purchase evidences were verified by confirmations and the existence of suppliers was confirmed by visiting their premises on a sample basis.
- ❖ Genuine purchase evidences were provided to execute Murabaha transactions so that Murabaha disbursements are not availed to set-off previous balances with the supplier and Murabaha Status Sheets.
- ❖ Sharia documentation, security documents and procedures followed by different functional areas for Local Murabaha, Import Musawama/ Murabaha, Extended Murabaha, Ijara (Leasing), Diminishing Musharaka, Musharaka, Istisna, Thijara, Wakala, Education Financing, Travel Financing, Solar Financing, Express Cash, Amāna Collect and Gold Safekeeping Facility.
- ❖ Declarations, description of assets, relevant purchase invoices, sequence and order of the documents and time difference between purchases and declaration in Murabaha transactions.
- ❖ Purchase deeds, certificates of registration of motor vehicles, treatment of ownership related cost and recovery of rentals in Ijara transactions, ownership ratio in Diminishing Musharaka facilities and issuance of timely unit sale receipts.
- ❖ Investments made in equity with reference to the equity stock screening criteria.
- ❖ Import finance transactions and related documentation.
- ❖ Extensive reviews of customer payment, purchase cycles and periodic assessment of customers' processes.
- ❖ Profit sharing ratio, Mudaraba pool working and the applicable profit allocation for deposit products.
- ❖ Treasury placements with other Islamic Financial Institutions and Window Operations.

Report on Sharia Supervision *Contd.*

ONLINE SHARIA COMPLIANCE PROCESS

The Sharia review process is carried out to ensure Sharia compliance of all transactions and also to build a zero tolerance to Sharia non-compliance culture within the Bank. In order to streamline and make the Sharia compliance process effective and efficient, the Bank continued to make use of the Online Sharia Compliance Process, which essentially is a live compliance process. The Online Sharia Compliance Process takes place at the fund disbursement and deal creation stages for all financing products.

REVIEW OF MARKETING AND COMMUNICATION ACTIVITIES

All Marketing and Communication activities and materials were reviewed by the SSD to ensure such activities of the Bank adhere to the rules and principles of Sharia.

TRAINING AND DEVELOPMENT

During the year, 8 internal Sharia training sessions were held in which 173 employees participated. These programmes were conducted with the objective of enhancing the knowledge and strengthening the skills of staff members on the rules and principles of Sharia and Sharia documentation related to the respective contracts.

During the year, the SSD focused on increasing the level of awareness amongst the key stakeholders, on Islamic Banking and products offered by the Bank and to further inculcate the values of Islamic Banking. In this regard, 15 external programmes were conducted for Sharia scholars and students. The total participation at these programmes was 895.

Programme	Audience	No. of Sessions	No. of Participants
Internal			
Amāna Bank Certified Islamic Banker Level-1	Branch Frontline Staff / Business Development Officers / Retail and Business Banking Staff	8	173
External			
Awareness Programme on Islamic Finance and Products of Amāna Bank	Sharia Scholars, Students	15	895
Total		23	1,068

SHARIA RISK MANAGEMENT COMMITTEE

The Sharia Risk Management Committee (SRMC) is a Sub-Committee of the Bank's Management Committee that was established to discharge the responsibilities of management on Sharia Compliance. During the year, two SRMC meetings were held on the discussion of the Sharia issues in the Bank.

REGIONAL SHARIA REVIEW UNITS

The regional Sharia units in the Central and Eastern regions continue to play a significant role towards accomplishment of the objective of ensuring Sharia compliance at all levels through 100% review of transactions and facilitating smooth operations in a timely manner.

SHARIA ADVISORY SERVICES

Internal Support

SSD provides advisory services on structuring products and transactional processing on an on-going basis, based on existing guidelines and resolutions made by the SSC. Issues encountered would be escalated to the Executive Committee of the SSC based on the complexity of the issue. All such advisory provided by the SSD are tabled at subsequent SSC meetings and ratified by the SSC. The SSD also reviews Credit Memorandums on pre-approval basis of both new proposals as well as at annual reviews of facilities to ensure that the most appropriate product is provided to the customer.

Number of Advisory Provided by the Executive Committee of the Sharia Supervisory Council	5
Number of Advisory/Clearances Provided by the Sharia Supervision Department based on existing guidelines and resolutions	549
Total	554
Number of Credit Memorandums reviewed by the Sharia Supervision Department	140

EXTERNAL SUPPORT

The Bank continued to offer Sharia Advisory Services to a public listed company engaged in commodity brokerage, in order to structure their financing operations in compliance with Sharia principles. In this regard, the Bank provides Advisory Services on Product Development, Transaction Structuring, Internal Process, Procedures and Guidelines, Documentation, Monitoring and Control, Training as well as monitoring compliance to the requirements of Sharia.

CHARITY

During the year, a total of LKR 2,299,668 was transferred to the Charity Fund. As at 31 December 2024, a balance of LKR 529,668 remained in the fund.

STATEMENT OF SOURCES AND UTILISATION OF CHARITY FUND

	LKR	LKR
Opening balance as at 1 January 204		831,373
Additions During the Year		
Excess Cash	352,650	
Income from Sharia Non-Compliance	1,115,645	1,468,295
		2,299,668
Less: Distribution of Charity (Social Benefits)		(1,770,000)
Closing Balance as at 31 December 2024		529,668

The amount of LKR 1,770,000 was disbursed from the Charity Fund with the approvals of Managing Director/CEO, Chief Financial Officer, and Head of Sharia Supervision and was duly reported to SSC for its concurrence.

THE WAY FORWARD IN 2025

- ❖ Continue to ensure the zero tolerance to Sharia non-compliance culture in the Bank.
- ❖ Strengthen the Sharia Risk Management process and mitigate Sharia violations with the involvement of the Sharia Risk Management Committee.
- ❖ Review and update the Sharia product process, guidelines, documentation and checklists to offer the most appropriate product for the customer.
- ❖ Introduce a Sharia Compliance Process Manual and guideline on all the products to Retail, SME and Business Banking staff.
- ❖ Advice and guide to provide the best-fit product to customers.
- ❖ Digitalisation of Sharia documentation to mitigate errors and improve efficiency in terms of speed.
- ❖ Actively engage in the New Product Development process by initiating and structuring new products.

- ❖ Facilitate and conduct training sessions to develop Sharia competency levels and instil onus on all stakeholders as follows:
 - Introduction to Islamic Banking for new recruits.
 - Continue the Amāna Bank Certified Islamic Banker Programme and implement stage 2 for the successful candidates.
 - Focused training programmes on rules and principles of Sharia, documentation and Sharia compliance.
 - Dedicated documentation training for respective CRMs/ Assistants in all the branches.
 - Sharia compliance and Sharia Risk programmes for Management Committee and Other Senior Management staff.
 - Conduct Sharia Awareness Programmes for Academics and Sharia Scholars.

May Almighty Allah make us successful in accomplishing His precious tasks and reward us in this world and in the Hereafter.



Ash-Sheikh Nazhan Naurooz
Head of Sharia Supervision and Secretary to the Sharia Supervisory Council

21 Sha'baan 1446 A.H.
20 February 2025



FINANCIAL CAPITAL

Amāna Bank's Financial Capital plays an anchoring role in fuelling sustainable growth, maintaining stability and resilience for the purpose of creating long term stakeholder value.



MATERIAL MATTERS

- Financial Stability
- Capital Adequacy and Liquidity Governance, Risk Management and Compliance Support for the Retail and SME sector



MANAGEMENT APPROACH

Amāna Bank's approach to managing financial capital is based on disciplined asset and liability management and the emphasis on cost efficiencies. Additionally, the Bank adheres to Basel III guidelines, maintaining strong capital buffers and liquidity through diversified funding and cash flow planning supported by a robust risk governance framework, including stress testing and due diligence to enhance adaptability, resilience and financial stability.



KEY RISKS

- Credit Risk
- Market Risk
- Liquidity Risk

VALUE CREATION HIGHLIGHTS - 2024

FOCUS AREA	KEY INPUTS	OUTPUTS FOR AMĀNA BANK	STAKEHOLDER OUTCOMES
Asset Growth	Leverage improving economic conditions to drive advances in retail and SME segments	24% year on year growth in advances	Consistent returns for shareholders
Improve access to low-cost funding	Aggressive deposit mobilisation activities	44% CASA Ratio (40% - 2023)	Assurance of timely and reliable payments to depositors
	Strong emphasis on CASA	16% year on year growth in fee based income	Access to finance for all customer segments
Improving Fee Based income	Concerted effort to promote trade services	86% year on year reduction in impairment charge	
Impairment on Financial Assets	Emphasis on recoveries		

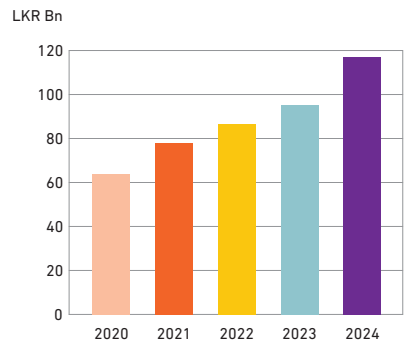
ANALYSIS OF AMĀNA BANK'S
PERFORMANCE

FINANCIAL POSITION

Financial Assets

Through aggressive growth in the Bank's core banking activities, total assets grew by LKR 22.9 billion or 14% YoY from LKR 159.5 billion in 2023 to close at a solid LKR 182.3 billion as at end-December 2024. Following a subdued economic climate and single digit growth in advances for 2023, Amāna Bank ensured that it took full advantage of the economic recovery in 2024. Focused efforts to grow all 3 business segments - Retail, Corporate and SME, saw the Bank's advances book crossing the LKR 100 billion landmark, to become one of the fastest to reach this milestone among the local banking sector. As a result, portfolio expanded from LKR 89.7 billion in 2023 to LKR 111.3 billion by end-2024, denoting a strong growth of 24% year on year.

Gross Advances

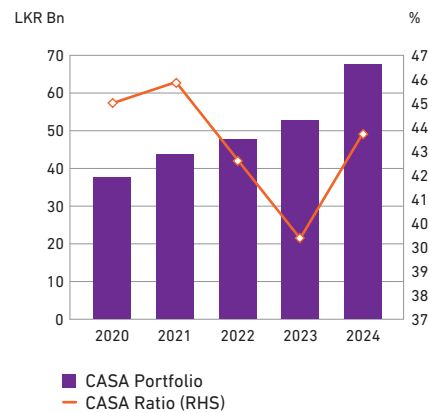


Financial Liabilities

Deposit mobilisation kept pace with the growth in advances, expanding by little under LKR 22 billion during the year. Despite stiff competition for funds in the market, concerted efforts by both the Business and Retail teams saw the Bank's deposit portfolio reporting robust growth to cross the LKR 150 billion milestone in Q4 2024 to end the year at LKR 154.4 billion, which represents a 16% year on year growth compared to last year's LKR 132.9 billion. Consistent growth

in deposits stands as a testament to the customer trust and confidence in Amāna Bank's people-friendly banking model. The Bank's forte of having the highest Current Accounts and Savings Accounts (CASA) ratio in the industry continued with good momentum which as of 2024 stood at an impressive 44% compared to 40% recorded a year ago. This is a remarkable achievement considering the fact that customers were more inclined towards high yielding term deposits as opposed to CASA in their investment decisions.

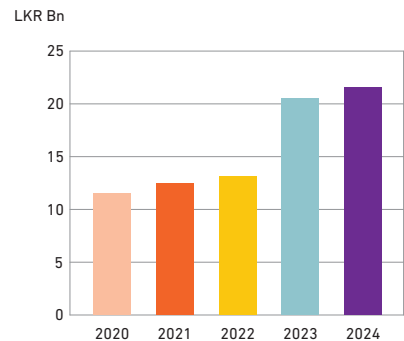
Current Account & Savings Account (CASA)



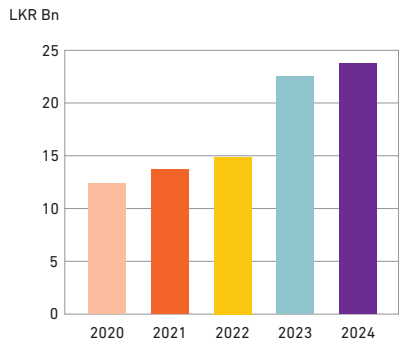
Capital and Liquidity

As at 31 December 2024, Amāna Bank's Common Equity Tier 1 and Total Capital ratios were at 15.0% and 17.6% respectively, well above the regulatory minimum requirement of 7% and 12.5% respectively.

Tier 1 Capital (Before Applicable Adjustments)

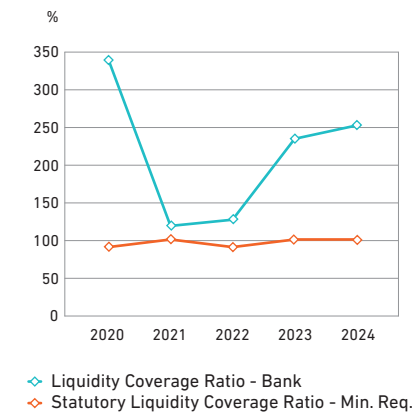


Total Capital



In 2024, liquidity management proved to be a challenge with the market experiencing excess liquidity situation in patches. To overcome this challenge, Amāna Bank's Business and Treasury teams worked closely to ensure that the Bank made maximum use of available funds through timely deployment across core banking as well as treasury assets. While doing this, the Bank did not lose sight on maintaining healthy liquidity levels in both LKR and USD domains. The strong emphasis on maintaining adequate liquidity buffers ensured that the Bank was able to meet all stakeholder obligations on time and without constraints.

Liquidity Coverage Ratio



Equity and Reserves

With Amāna Bank tabling its best-ever financial performance in the year under review, the Bank's total equity increased to LKR 22.8 billion with a 5% growth year on year.

INCOME STATEMENT

Net Financing Income

Amāna Bank’s financing income declined to LKR 15.4 billion in 2024 from LKR 17.2 billion recorded in 2023, mainly due to market rates plummeting which resulted in downward re-pricing of its advances in the portfolio. However, the negative impact on top line income was curtailed to a large extent by the impressive portfolio growth recorded in 2024. Financing expenses on the other hand reduced from LKR 10.7 billion in 2023 to LKR 8.5 billion in 2024 following the multiple policy rate cuts in 2024 which led to lower returns to depositors. Further, with the higher reduction in finance expenses offsetting the decline in finance income, financing margin was maintained at 4.0%, enabling Amāna Bank to record a Net Financing Income of LKR 6.9 billion in 2024, a 6% YoY increase from LKR 6.5 billion registered in 2023.

Net Fee and Commission Income

In a year where all import restrictions were removed except for motor vehicles, the Bank focused on expanding its trade-related business volumes by further engaging with its Corporate and SME customer base to cater their requirements, which in turn provided a significant boost to fee based income. Amāna Bank’s fee based income increased to LKR 1.08 billion in 2024, up by 16% from the LKR 931 million reported in the previous year. Higher earnings from related foreign exchange commissions and account related tariffs for various services, also enabled the Bank to grow its Net Fee and Commission Income this year.

Operating Income

Amāna Bank’s total operating income reduced to LKR 8.7 billion for 2024, denoting a 6% decline from LKR 9.2 billion recorded in 2023. The main reason for the decrease is the reduction in Net Trading Income earned

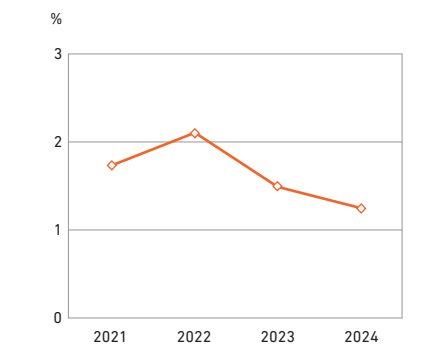
through foreign exchange transactions as market premiums tumbled during the year under review.

Impairment on Financial Assets

With business conditions improving and customers enjoying better cash flow generation, the Bank was able to recover the dues in a more efficient manner than in 2023 which helped the Bank to considerably reduce the impairment charge applied on financial assets. Along with this, close follow up through timely customer engagement coupled with the Bank’s robust risk management techniques helped support portfolio growth without compromising on asset quality. Consequently, the impairment charge on financial assets decreased substantially from LKR 2.1 billion in 2023 to LKR 290 million in 2024, the lowest level in two years. Meanwhile the Bank continued to maintain sufficient credit buffers, if needed to absorb potential shocks in relation to customers operating in risk-elevated sectors.

As mentioned above, heightened engagement on recovery and follow up activities in order to maintain strong asset quality has been a major differentiator that has set the Bank apart from peers. Lower customer defaults in 2024 enabled the Bank to maintain the Stage 3 ratio at 1.25% as at 31 December 2024, which was well below the industry average.

Stage 3 Impaired Financing Ratio



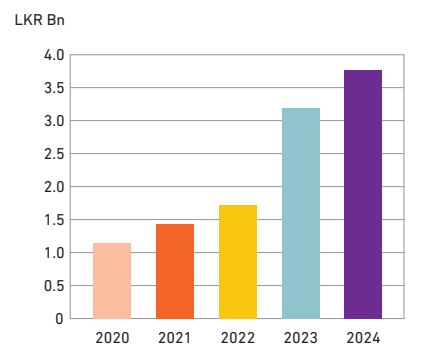
Net Operating Income

Supported by the notably lower impairment charge, Amāna Bank closed the year with Net Operating Income of LKR 8.4 billion, indicating an 18% expansion from the LKR 7.1 billion reported for 2023.

Operating Expenses

Although operating expenses increased in the year under review, the rate of increase has been restricted to less than 20% even after the expansion of the Bank’s reach through SBCs. Bank-wide cost containment measures helped to maintain the overall cost at LKR 4.6 billion in 2024, from LKR 3.9 billion recorded in 2023.

Operating Profit Before Tax on Financial Services



Profitability

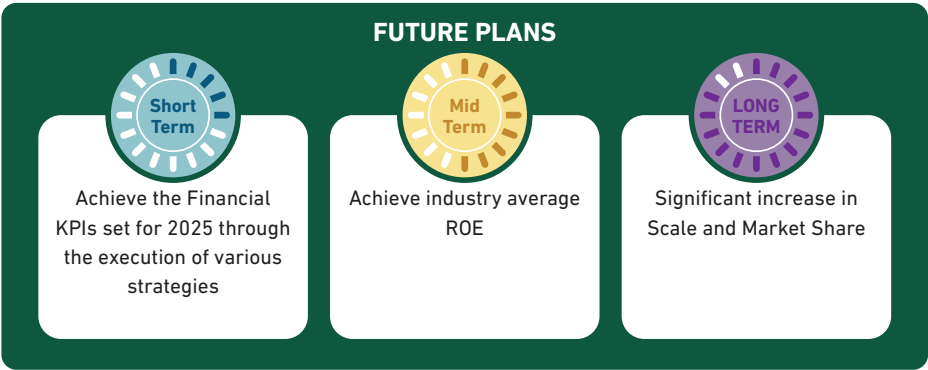
Recording its best ever performance in its 13-year history, Amāna Bank tabled Profit Before Tax of LKR 2.8 billion for 2024, a commendable 21% improvement over the LKR 2.3 billion reported a year ago. Even after accounting for LKR 1.0 billion as Value Added Tax on Financial Services & Social Security Contribution Levy and another LKR 1.0 billion as income tax expenses for the current financial year, Amāna Bank ended 2024 with a Profit After Tax of LKR 1.8 billion, reflecting a strong 28% improvement year on year. A culmination of these factors saw the Bank’s Return on Equity increasing to 8.0% from 7.7% in 2023.

Other Comprehensive Income

Other Comprehensive Income for the year amounted to LKR 4 million mainly attributed to the change in fair values of quoted investment portfolio, where such change is measured through the Statement of Comprehensive Income. Consequently the Bank closed 2024 with a Total Comprehensive Income of LKR 1.8 billion.

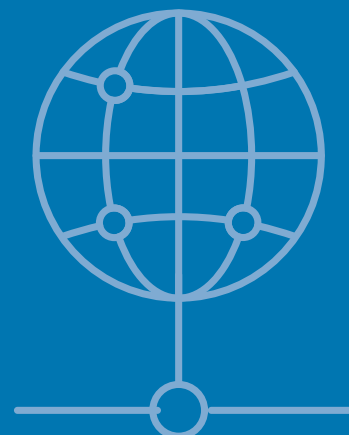
Dividend

Considering Amāna Bank’s outstanding performance for the current financial year, the Board declared an interim dividend of LKR 1.20 per share. The total dividend payout amounting to LKR 661 million was paid to shareholders in October 2024, marking the first cash dividend paid since 2019. In the interim 4 years (2020, 2021, 2022 and 2023) Scrip dividends was paid in line with the CBSL guidelines.





MANUFACTURED CAPITAL



Amāna Bank's Manufactured Capital, which consists of the Bank's physical infrastructure, digital channels, and IT systems, provides the foundation for the Bank to provide seamless banking services to meet the needs of customers across Sri Lanka.



MATERIAL MATTERS

- Governance, Risk Management and Compliance
- Model Compliant Products and Services
- Reliability of Service through Excellence and Digital Transformation
- Banking Convenience for different customer segments
- Information Security and fraud prevention
- Environmental Footprint
- Customer Access Channels



MANAGEMENT APPROACH

Amāna Bank maintains an iterative approach to developing its Manufactured Capital, involving optimal use of physical infrastructure alongside continuous technological upgrades, process automation, AI-driven analytics, cloud computing, and API-based integrations to improve operational efficiency and customer experience



KEY RISKS

- Operational Risk
- Sustainability risk

VALUE CREATION HIGHLIGHTS - 2024

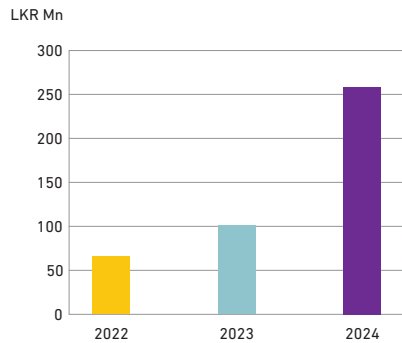
FOCUS AREA	KEY INPUTS	OUTPUTS FOR AMĀNA BANK	STAKEHOLDER OUTCOMES
Optimising the use of physical infrastructure	LKR 75 Mn invested to install ATMs and CDMs, covering the entire network	32% year on year increase in transactions through ATM's & CDM's	More convenient access to financial products and services for customers
	Expanded the SBC network with 7 new SBC's opened in 2024	Cost efficiencies owing to the CAPEX of setting up new SBC's being on average 80% less than the CAPEX involved in setting up a new branch	Enhanced profitability contributing to higher returns for shareholders
	Digitalisation, automation and use of RPA to streamline back end processes to improve productivity	Over 200% year on year increase in Opening Online Term Investment Accounts	Learning opportunities for employees
Driving digital adoption	Relocation of the Puttalam branch	Sustained cost efficiencies	
	Ongoing improvements to digital channel architecture	15% year on year increase on the number of downloads for the "Your Bank" app	
		47% year on year increase on the number of active users of the "Your Bank" app	

BRANCH NETWORK

Amāna Bank’s physical presence is marked by a network of 33 brick-and-mortar branches across 8 provinces in Sri Lanka. Over the years, the key underlying premise driving Capital Expenditure (CAPEX) on branch infrastructure (property, plant and equipment - PPE), has been the desire to deliver progress and prosperity to Sri Lankans around the Country.

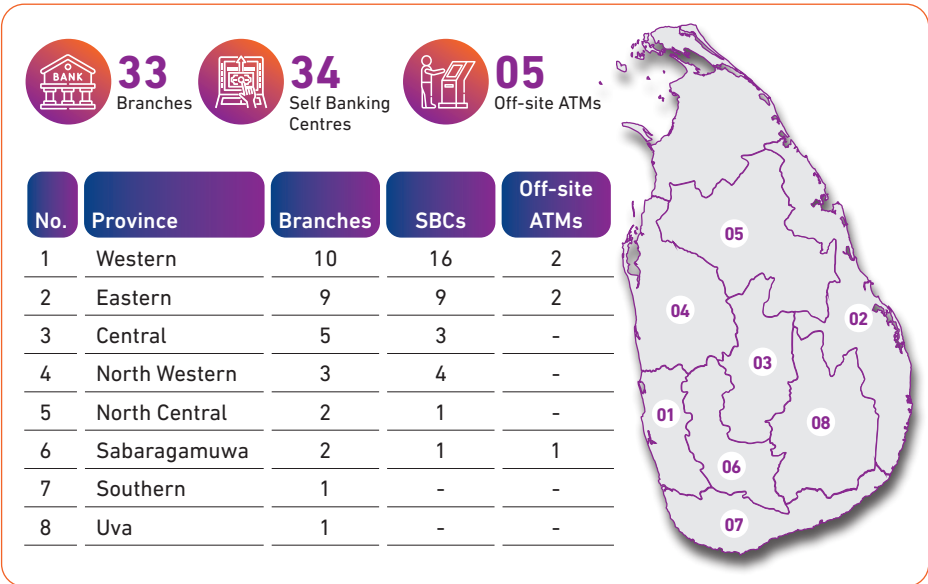
With the Country showing signs of economic resurgence in 2024, Amāna Bank’s branch strategy for the year was centered around supporting customers to navigate their financial journeys with greater ease and confidence. To achieve this, the Bank focused on upgrading branch infrastructure streamlining processes, and equipping staff with the necessary training to provide personalized and efficient service.

Investment in PPE



SELF-BANKING CENTERS (SBC)

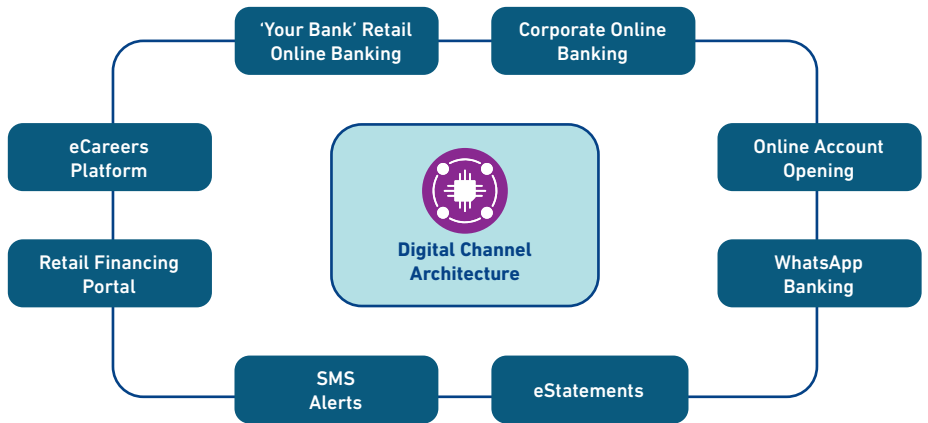
SBCs are standalone mini banking units accessible 24x7 with automated machines to facilitate real-time cash deposits and withdrawals while also equipped with cheque deposit machines. SBCs, with their low cost CAPEX model has proven to be instrumental in supporting Amāna Bank’s efforts to increase the number of physical customer touch-points across Sri Lanka.



The average CAPEX of setting up new SBCs is on average 80% less than the CAPEX involved in setting up a new branch

The tie up with AB Securitas, in 2023 has allowed Amāna Bank to significantly accelerate its SBC expansion strategy, in line with efforts to promote greater financial inclusion. In 2024, a total of 7 new SBC’s were opened to serve several underbanked areas in the North Western, North Central, Central and Eastern provinces. With 34 SBCs across the Country as at 31 December 2024, the SBC network now serves as Amāna Bank’s main delivery channel surpassing the network of 33 branches.

Ongoing improvements to further strengthen functionality of the SBC value proposition saw steps taken towards enabling bill payment facilities through Pay&Go Kiosks and CDMs.



Amāna Bank’s Digital Channel Architecture is designed to provide seamless, secure and convenient banking experience across multiple platforms

DIGITAL CHANNELS

With a suite of digital solutions designed to empower customers, Amāna Bank ensures seamless, convenient and secure banking experiences anytime, anywhere.

The ‘Your Bank’ Online Banking App provides a comprehensive suite of features, enabling customers to manage their finances with ease. Over the year, subscriptions to the platform grew by 47%, while in-app transactions surged by 55%. Bill payments through the app saw an impressive 154% increase, and the number of customers using the ‘Message to Bank’ feature for various service requests grew by 98%. Notably, with the app’s capability to facilitate placement of new Term Investments, Term Investment openings via the app soared by 271%, reflecting a strong shift toward digital banking adoption.

Launched in 2023, WhatsApp Banking witnessed increased adoption, growing by 78% during 2024. This innovative service enabled customers to effortlessly check the balances of any account linked to their registered mobile number—whether it be Savings, Current, Children’s Savings, Term Investment, or even SME and Corporate Accounts—by simply sending a ‘Hi’ message to the Bank’s WhatsApp number, 070 7756 756. To cater to a diverse customer base, WhatsApp Banking is available in English, Sinhala, and Tamil, ensuring accessibility for all. In 2024, new features were introduced to WhatsApp Banking, including fund transfers, bill payments, and access to debit card offers. Additionally, enhancements were made to streamline the user experience by reducing the number of steps, as preferred language selection and Terms & Conditions are now pre-saved after the initial selection.

Amāna Bank’s eOnboarding, a fully digital account opening service, gained significant

traction in 2024. This service offers customers the convenience of opening an account entirely online, without the need to visit a branch, providing flexibility to open an account anytime, anywhere. The seamless, 24/7 digital process allows customers to securely verify their identity through a video call, eliminating the need for physical documentation and ensuring a 100% online experience. In 2024, a branch-specific campaign was launched to encourage customers to use the platform for account openings, resulting in an increase in online account openings.

IT INFRASTRUCTURE AND DIGITAL BACK-END SYSTEMS

A robust IT infrastructure and secure, reliable, and scalable digital back-end form an integral part of Amāna Bank’s Manufactured Capital. A well-integrated digital back-end ensures seamless transactions, real-time processing, and uninterrupted access to banking services across all digital channels.

The Bank continues to invest in scalable infrastructure that supports business expansion, increasing transaction volumes, and the introduction of new digital services without compromising performance or reliability. This is coupled with advanced cyber security measures and data encryption systems to safeguard Amāna Bank’s digital assets and protect sensitive customer information. Additionally, a robust disaster recovery and backup system ensures uninterrupted banking operations, mitigating risks associated with system failures or cyber threats

In recent years, the Bank has also focused on increasing the level of digitalisation and automation to transform back-end processes by streamlining workflows, reducing manual interventions and minimizing errors with a view to improving overall efficiency and cost-effectiveness.

Upgrades to IT Infrastructure - Key Highlights for 2024

- ❖ Commenced work towards obtaining the PCI DSS certification, with phase 1 involving the upgrade of network appliances, including routers and switches, across the Bank.
- ❖ Network Access Control (NAC) system.
- ❖ Enhancing the stability and resilience of connectivity links across our network with improved links between branches, ATMs, SBC, and the data center.
- ❖ Strengthening the redundancy of connectivity for core banking and critical online banking applications.
- ❖ Conducted the DR Drill for 7 consecutive days for the first time exceeding CBSL mandated 3 days.
- ❖ Data Archival project for the core customer database, which has significantly enhanced the performance of the systems.
- ❖ Completed the Card Management System version upgrade, 1st Bank in Sri Lanka to upgrade to the latest version from the subject product.
- ❖ IBM Power10 servers upgrade .
- ❖ Invested in the ISO 27001:2022 Lead auditor and ISO 22301 Business Continuity Management System training certification for staff members.

Progress on Digitalisation & Automation in 2024

Initiative	Business Unit / Division	Key Benefits
Credit / Debit Advices for TT	Branches	Sending Credit / Debit advice to customers daily without manual intervention, saving approximately 100 man hours monthly and generating a substantial reduction in paper cost.
HR On boarding	HR	A career portal to enable potential applicants to view job vacancies and send CVs, upload videos, etc.
Facility Disbursement Process (WIP) with RPA	Credit Administration	End to end automation of facility disbursement using the RPA technology to improve turnaround times and generate cost savings

Implementation of Data Analytics and Business Intelligence Systems in 2024

Initiative	Business Unit / Division	Key Benefits
Dashboard for Declined Debit Card transactions	Card Operations	To view card activity in real time to monitor card declines
Proposition Dashboards (Prestige, Vantage, Expat and Business plus)	Marketing	To monitor customer behaviour for data-driven decision making
Visa CDM excess & shortage Dashboard	Operations	Addressing the operational challenges faced by branches in balancing and reconciling cash excesses and shortages in ATMs and CDMs.

FUTURE PLANS



Expand the SBC network further in 2025

Reduce the environment footprint of the branch network by investing in renewable energy

Invest in SD-WAN technology to enhance network performance, security, and cost efficiency. This transformation will improve agility, scalability, and connectivity across our operations, ensuring a seamless digital experience

Certifying with PCI DSS to strengthen payment security, protect customer data, and ensure compliance with industry standards. This initiative enhances trust, reduces risk, and reinforces our commitment to secure transactions

Migration of the Primary Data Centre to a Hosted Tier III Environment

Upgrade of 'Your Bank' app including advancement of Corporate Online Banking under Your Bank UX/UI

Introduction of Remittance App



Increase the level of digitisation, automation and RPA to centralise workflows

Privileged Access Management (PAM) and Identity Access Management (IAM) solutions.

Middle-ware integration



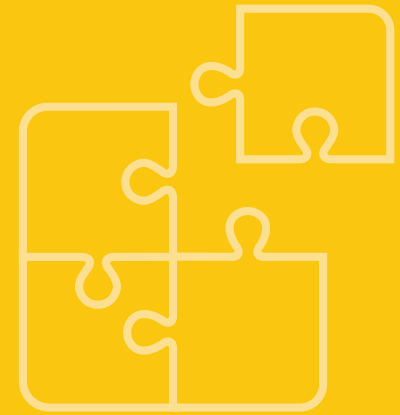
Obtain ISO22301 Business Continuity Management Systems Certification

Establish a Data Warehouse to leverage machine learning

Obtain the ISO/IEC 20000 IT Service Management Standard (ITSM)



INTELLECTUAL CAPITAL



Amāna Bank's Intellectual Capital, comprising the brand reputation and unique banking expertise drives the development of Non-Interest based Financial Solutions and strengthens the Bank's competitive position in the industry.



MATERIAL MATTERS

- Governance, Risk Management and Compliance
- Model Compliant Products and Services
- Business Ethics and Anti-corruption
- Information Security and fraud prevention
- Local Community development and support



MANAGEMENT APPROACH

Amāna Bank invests in developing its Intellectual Capital in direct correlation with the Bank's strategic ambitions



KEY RISKS

- Operational Risk
- Sustainability risk
- Reputation Risk

VALUE CREATION HIGHLIGHTS - 2024

FOCUS AREA

Raising Awareness on Islamic Banking (non-interest-based banking) principles

KEY INPUTS

29% increase in marketing spend to improve brand visibility and positioning in the mainstream market

3,776 hours of training to enhance product knowledge of frontline teams

68 Financial Literacy Programmes (FLP) for external stakeholders

OUTPUTS FOR AMĀNA BANK

Stronger Brand Positioning

5% year on year growth in the customer base

24% year on year expansion in the financing book

STAKEHOLDER OUTCOMES

Increased financial literacy empowers individuals and businesses to make informed banking decisions

Encourages underserved and unbanked segments to engage with the formal banking sector resulting in increased financial inclusion

Better employee performance attributed to improved product knowledge and training

BRAND POSITION

The year 2024 marks Amāna Bank’s 13th year in operation, a journey characterised by steady growth, resilience, and the deep rooted commitment to ethical and inclusive banking set out under the non-interest based Islamic banking principles. In 2024, Amāna Bank continued to consolidate its position as Sri Lanka’s only licensed commercial bank operating fully under Islamic banking principles, while working aggressively to carve out a reputation as a people-friendly bank that is accessible to all Sri Lankans.

AWARDS AND ACCOLADES FOR 2024

LMD Top 100

- ❖ Ranked 73rd

Global Finance Awards USA

- ❖ Sri Lanka’s Best Islamic Finance Institution

Euro Money Islamic Finance Awards

- ❖ Best Islamic Bank in Sri Lanka

Brands Review Magazine Awards

- ❖ Best Islamic Bank in South Asia

Sri Lanka Islamic Banking and Finance Industry (SLIBFI) Awards

- ❖ Gold Award for Entity of the Year
- ❖ Gold for Best Deal of the Year
- ❖ Silver for Best Deal of the Year
- ❖ Best ESG for Islamic Finance Institutions

Indian Chamber of Commerce Emerging Asia Banking Awards

- ❖ Best Bank for Risk Management in Sri Lanka

Islamic Finance Forum South Asia (IFFSA) Awards

- ❖ Gold Award for Bank of the Year
- ❖ Gold Award for Entity of the Year
- ❖ Gold Award for Spirit of Islamic Finance
- ❖ Best ESG Award

IFN Awards

- ❖ Best Islamic Bank in Sri Lanka

Global Retail Banking Innovation Awards

- ❖ Best Islamic Retail Bank in Sri Lanka

Annual Global Business & Brands Awards

- ❖ Best Islamic Financial Institution Sri Lanka

TAGS Awards

- ❖ Certificate of Recognition – Corporate Governance Disclosure
- ❖ Certificate of Recognition – Integrated Reporting
- ❖ Certificate of Compliance – Private Banking Sector

LankaPay Technnovation Awards

- ❖ Best Common ATM Enabler (Category C)

K-Seeds Investments

- ❖ Best Performing Bank in Sri Lanka (Category 2B)

Global CEO Awards

- ❖ Top 50 CEOs in Sri Lanka



As a first step, targeted efforts were initiated to tackle the misconceptions surrounding Islamic banking. Recognising the importance of media engagement in dispelling these doubts, Amāna Bank collaborated with both conventional and social media channels to further reinforce its leadership in Islamic banking space while positioning the Amāna brand as a trusted financial partner for all Sri Lankans. This was coupled with strategic sponsorships and outdoor advertising to connect with the mass market and strengthen the presence among mainstream audiences. A key highlight was the “Amāna Bank Try” brand association on Papare live TV broadcast of the Inter School Rugby season in 2024, which was highly talked about as an impact marketing strategy.

The awards and accolades that the Bank continued to receive throughout the year stand as a testament to the Amāna Bank brand presence.

The sustained improvements in the financial profile of Amāna Bank relative to better-rated peers, earned the Bank an investment-grade rating in 2024. The August 2024 rating review by Fitch Ratings Sri Lanka saw Amāna Bank’s national long-term rating upgraded from BB+(lka) to an investment grade rating of BBB-(lka), with a stable outlook, marking a landmark achievement for the Bank.

ETHICS AND CONDUCT

Ethics and conduct have always remained at the core of Amāna Bank’s people-friendly banking model. The Board sets the tone from the top to promulgate strong business ethics. These standards are cascaded down via the Code of Conduct that sets out clear expectations regarding the behaviours required by employees.

Additionally, the Board approved Anti-Bribery and Corruption (ABC) Policy outlines strict measures explicitly applicable to all employees and directors as well persons who aren’t employees but authorized to act on behalf of the company (agents, advisors, representatives, suppliers, contractors and sub-contractors). It aims to prevent bribery, fraud, and unethical conduct, reinforcing the Bank’s commitment to responsible banking. In 2024, the ABC Policy was reviewed and updated in line with the new corporate governance regulations of the Central Bank of Sri Lanka (CBSL) in 2024. This was accompanied by a series of training programmes to educate employees on the new changes. Additionally, key highlights of the ABC Policy were integrated as a compulsory module within the induction programme for all new recruits.

The Whistleblower Policy of the Bank was reviewed to incorporate latest developments that took place during the year under review.

INDUSTRY KNOWLEDGE AND EXPERTISE

Amāna Bank leverages the industry knowledge and expertise of its Knowledge Marketing (KM) unit to strengthen its competitive position. The in-house expertise of the KM unit is crucial in building product knowledge of frontline teams to ensure employees are well equipped to advise customers on the unique value proposition associated with Amāna Bank’s non-interest-based banking model.

At the same time the KM unit plays a vital role conducting Financial Literacy Programmes (FLP) to educate external stakeholders regarding Amāna Bank’s ethical banking principles while addressing misconceptions about the non-interest-based banking model. These targeted Financial Literacy Programmes aim to empower individuals, entrepreneurs and the wider community to make informed financial decisions.

Knowledge Marketing Initiatives - Key Highlights for 2024	
Improving Product Knowledge of Frontline Staff	Financial Literacy Programmes for External Stakeholders
Islamic Banking Product Training for Relationship Managers	Awareness Programs for Existing and Potential Customers.
Email-Based Weekly Staff Quiz Competition	Financial Literacy Programs for School Children and Undergraduates followed by Online Assessment.
Intensive Learning Program (ILP) for Branch Staff, Prestige Banking Centre and Customer Solutions Centre	Financial Literacy Programs for professional groups (Teachers, Lecturers, Lawyers, Accountants, Auditors, Doctors, Government Officers, etc.) and Business Communities.
A dedicated intranet portal, 'Ask KM,' was made available for the recruits to clear their doubts.	Financial Literacy and Entrepreneur Financing Programs for Women Entrepreneurs.
	Non-Interest based Banking Perception Survey among the existing and potential customer base.

STANDARDS AND CERTIFICATIONS

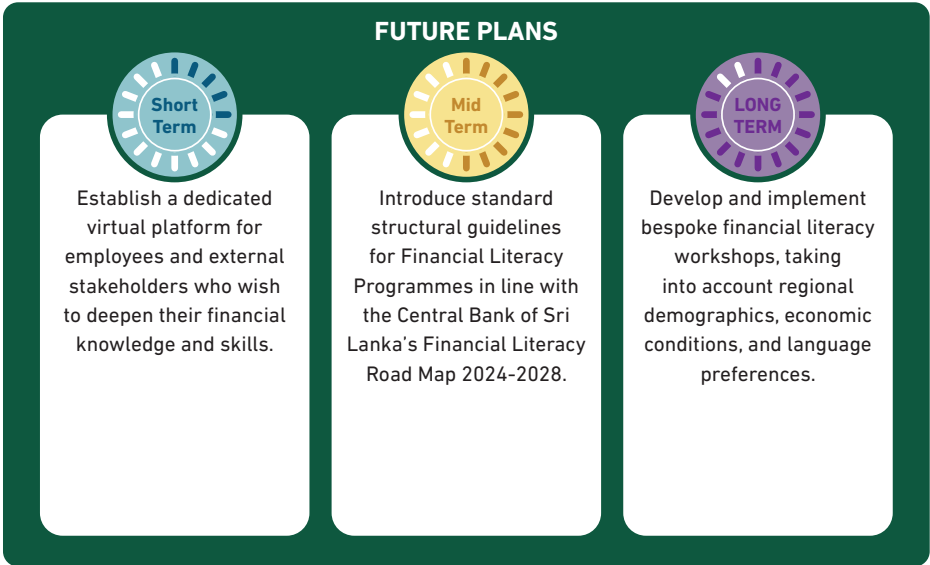
Standards and certifications play a vital role in enhancing organisational value by ensuring compliance with global best practices, strengthening risk management, and improving operational efficiency.

For Amāna Bank, the ISO 27001:2022 Information Security Standard certification provides the framework to safeguard information assets, enhance data security and ensure regulatory compliance to strengthen the Bank’s resilience against cyber threats. Additionally, the certification supports continuous improvement, fosters alignment with industry best practices, thereby enhancing Amāna Bank’s reputation as a secure and reliable financial institution.

STRATEGIC PARTNERSHIPS

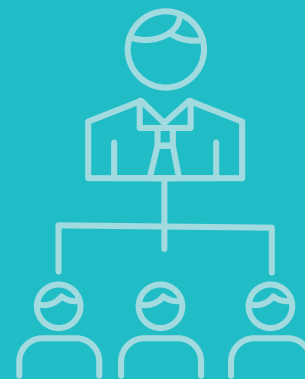
Strategic partnerships and industry collaborations enable Amāna Bank to not only strengthen aspects of the business model but also demonstrate its commitment to working towards promoting financial inclusion, ethical banking, and sustainable economic growth

In 2024, Amāna Bank was appointed as an official training partner of the Institute of Bankers of Sri Lanka (IBSL) allowing the Bank to offer internship opportunities for IBSL students. This key strategic partnership reflects the Bank’s commitment to set new standards for the professional development of future banking professionals in Sri Lanka.





CUSTOMER CAPITAL



Customer Capital reflects the trust, loyalty, and long-term relationships Amāna Bank has built through the delivery of ethical, people friendly financial solutions and exceptional service aimed at bringing prosperity to all.



MATERIAL MATTERS

- Model Compliant Products and Services
- Banking Convenience for different customer segments
- Support for the Retail and SME
- Information Security and fraud prevention
- Customer Access Channels
- Alternative Liquidity Instruments



MANAGEMENT APPROACH

Amāna Bank's customer sector management approach is driven by the conviction to provide the best in-class customer experience to every customer for the entirety of their journey with the Bank.



KEY RISKS

- Operational Risk
- Sustainability risk
- Credit Risk
- Liquidity Risk

VALUE CREATION HIGHLIGHTS - 2024

FOCUS AREA

KEY INPUTS

OUTPUTS FOR AMĀNA BANK

STAKEHOLDER OUTCOMES

Matching the evolving needs of customers

Promoting of early settlement with no additional charges feature in home financing

29% year on year increase in the home financing portfolio

Access to tailored financial products that align with customers specific financial goals

Enhancing the customer experience

Introduction of the secure mail feature on the Your bank app

47% increase in Your Bank app users

Assurance of enhanced Security and Privacy

Help customers to migrate to cashless transactions

Aggressive campaign to promote the debit cards

27% increase in card transaction volumes

Improved Customer Support, education and awareness for informed decision making

Preserving the customers transactional safety

Implemented the Network Access Control (NAC) system

Zero incidents concerning breach of customer privacy

RESPONSIBLE PRODUCTS

Amāna Bank defines product responsibility as the commitment to deliver banking products and services that align with ethical banking principles, regulatory requirements, and customer expectations

Differentiation remains at the heart of Amāna Bank’s approach. Being the leading provider of ethical banking solutions in Sri Lanka, Amāna Bank’s product portfolio is distinctly different from other mainstream banking products available in the local banking industry.

RETAIL



Deposit and Investment Solutions

- ❖ Current Account
- ❖ Savings Account
- ❖ Ladies Savings
- ❖ Senior Citizen Savings
- ❖ Pension Saver
- ❖ Kids Savings
- ❖ Salary Savings
- ❖ Foreign Currency Accounts
- ❖ Savings Plan
- ❖ Flexi Term Investment
- ❖ Term Investments

Retail Financing Solutions

- ❖ Leasing
- ❖ Home Financing
- ❖ Small Asset / Personal Financing (Easy Payment Plan)
- ❖ Solar Financing
- ❖ Travel Financing
- ❖ Education Financing
- ❖ Gold Certificate Financing (Emergency Cash)
- ❖ Women Entrepreneur Financing

Value Added Services

- ❖ Your Bank Mobile App and Web Portal
- ❖ eOnboarding
- ❖ SMS Alerts
- ❖ eStatements
- ❖ Debit Cards
- ❖ Inward Remittance Platforms
- ❖ Safety Lockers
- ❖ Doorstep Banking
- ❖ WhatsApp Banking

Amāna Bank

It's Your Bank

CORPORATE/ SME



- ❖ Capital Expenditure Financing
- ❖ Working Capital Financing
- ❖ Import & Export Financing
- ❖ Trade Services
- ❖ Machinery & Equipment Leasing
- ❖ Express Cash - Permanent Overdraft

- ❖ Amāna Collect - Cheque Discounting
- ❖ Cash Collection Solutions
- ❖ POS Machine Services
- ❖ Deposit and Investments Solutions
- ❖ Relationship Managed Services -Business Plus

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PERSONALIZED BANKING SOLUTIONS



AMĀNA BANK PRESTIGE

Amāna Bank Prestige Banking is an exclusive platform for our most valued customers who seek superlative customer service and care with a personal touch to look after their everyday banking and financial needs.

Amāna Bank Prestige Banking is the only non-interest based high net worth banking proposition in the country and stands testimony to an upwardly mobile bank focused on enhancing our service offering and ensuring the well-being of our customers.



AMĀNA BANK VANTAGE

Amāna Bank Vantage is a superior banking and financial services platform that is tailor-made for individuals who are progressing in expanding their horizons in life. Amāna Bank Vantage is designed to help accelerate your personal growth and be a financial partner in your success.



AMĀNA BANK EXPAT GOLD

Amāna Bank Expat Gold is a platform designed exclusively, to cater to unique and diverse requirements of banking from abroad.

Being apart from your family, timely support and care of their financial requirements is essential, in your busy lifestyle. That's why we believe you need a caring and dedicated financial partner back home to look into their finances as if you are personally attending to it.



BUSINESS PLUS

BUSINESS PLUS

Business Plus is a tailor-made solution for SME's to help them expand and strengthen their business with the aim of becoming the emerging corporates of the future. Business Plus customers benefit from a dedicated relationship manager and a host of other services including airport lounge access, preferential pricing, branded cheque books, payroll solutions, thus allowing them freedom and space to focus on growing their business. Business Plus is offered in three membership categories - Business Plus Silver, Business Plus Gold and Business Plus Platinum.

Capitalising on this unique positioning, the Bank supports all customer segments through its comprehensive product portfolio that aligns with the ethical banking principles of Islamic finance and as such remains.

The Bank's mainstream product portfolio spans across retail, SME, and corporate, offering Sharia-compliant alternatives such as asset-backed financing, profit-sharing investment accounts, and trade finance solutions. These offerings provide customers with the opportunity to benefit from sustainable financial solutions that align with their values while fostering economic empowerment.

Additionally, Amāna Bank's range of personalised banking solutions is designed to cater to discerning customers, including high-net-worth individuals, expatriates, and business clients, also stand out for their tailored approach, dedicated relationship management, and exclusive benefits.

CUSTOMER TOUCH-POINTS



33
Branches



34
Self-Banking Centres



Customer Solutions Centre



Strong Front-line Sales Force



Digital Channels



Amāna Bank
It's *Your* Bank



5
Off-site ATMs



Website



82
Relationship Managers

The Bank's product responsibility commitments extend to ensuring customers have easy and convenient access to the Bank's products across multiple touch-points. Based on this principal approach, the Bank has in recent years undertaken and aggressive campaign to invest in widening the network of Self-Banking Centres targeting a wider provincial distribution.

CUSTOMER COMMUNICATION

The Bank places significant emphasis on providing customers with all necessary and relevant information to help them make well-informed decisions when transacting with Amāna Bank. To that end, all mandatory disclosures, such as interest rates and exchange rates, are prominently displayed at its branches,

Further, all external communications are in line with Board-approved marketing policies ensuring clarity and accuracy of published products and services information. A similar approach is followed to ensure messaging consistency across all communication platforms, including print and electronic media, as well as its corporate website and social media channels.

Product awareness programmes conducted by the Knowledge Marketing (KM) team also form an integral part of Amāna Bank's overall strategy to educate customers. These initiatives are designed to enhance customer understanding about the ethical banking principles of Islamic finance to ensure they are well-informed about the available banking solutions. More than 8,500 people were reached through a total of 68 public awareness workshops conducted by the KM team in 2024.

CUSTOMER SOLUTIONS CENTRE

In 2024, Customer Solutions Centre, the Bank's inbound and outbound contact operations, made a significant impact by

achieving an exceptional Net Promoter Score of 99.90%, reflecting outstanding customer satisfaction. The team successfully accommodated over 50 services, enhancing accessibility and convenience. A major industry first innovation was introduced, allowing customers to retain their language selection after the first call, eliminating the need for repeated selections and ensuring a seamless experience. Operational efficiency reached new heights with a same day completion TAT exceeding 94%, ensuring swift resolutions. Additionally, the team achieved a 100% callback reach for abandoned calls, reaffirming a commitment to customer engagement and service excellence.

COMPLAINT HANDLING

As per the standard procedure in place, all complaints are recorded by the Customer Experience Unit and escalated to the relevant authorities for resolution. The CEU is entrusted with the responsibility of following up on pending complaints, identifying recurring complaints and conducting root cause analysis to determine key pain points for correction. The CEU is also tasked with calling back individual customers to assess the level of satisfaction regarding the resolution provided and the time taken to do so.



99%
Customer Complaint
Resolution

DATA PRIVACY

Data privacy is a top priority for Amāna Bank, as it underpins the trust and confidence customers place in the institution. The Customer Charter outlines the measures taken by the Bank (which has been bade available on the corporate website - www.Amānabank.lk) to protect customer data and

ensure secure transactions, including when, where and how customer information is collected and stored, securely, with access limited strictly to authorized personnel.

Additionally, the Bank's digital banking services, online banking platforms, e-statements, and SMS alerts are all encrypted to enhance security and mitigate risks associated with unauthorised access. This is supported by a set of Board-approved Information Security Policies developed in line with the ISO27001 Standard, which outline protocols on such matters as restricted access, data sharing. Meanwhile customers who may have concerns regarding data privacy, have access to a number of dedicated customer support channels to address inquiries and report potential unauthorised access.



Improving customer awareness through notifications on the corporate website, social media platforms, email announcements, and via ATM screen displays, the Bank provides to educate them on minimising the exposure to security breaches



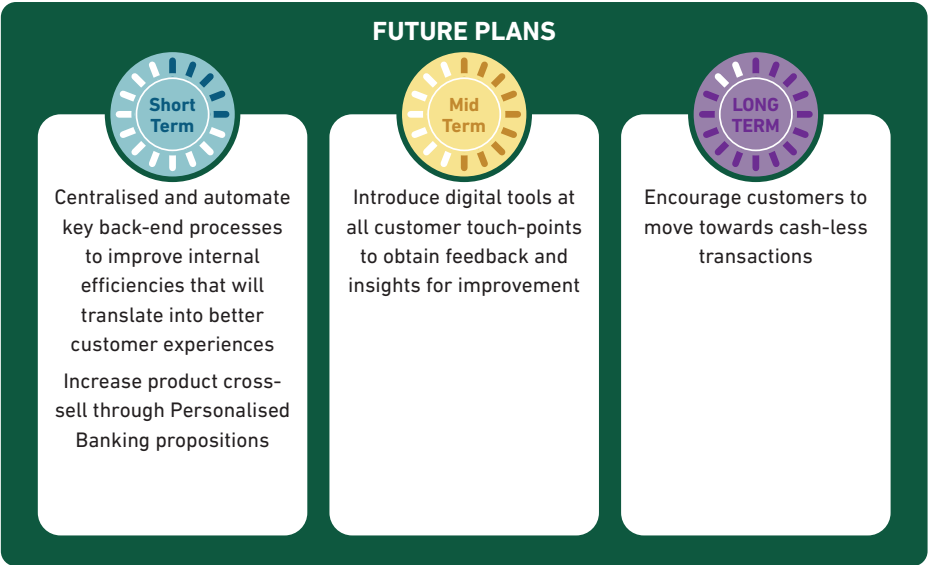
Email, posters and social media campaigns to raise awareness among customers and encourage them to take extra precautions to prevent misuse of their PIN, ATM and credit cards

FRAUD PREVENTION

Amāna Bank takes its responsibility for fraud prevention very seriously with stringent control systems in place to create a secure environment for customers to perform their banking transactions. This comprehensive framework of systems and procedures ensures that all banking transactions, whether conducted through branches or digital banking channels, remain secure and reliable.

As part of these efforts, Amāna Bank conducts regular inspections of its branch ATMs, off-site ATM's and SBC to identify the potential risk of frauds. Additionally, strict reporting procedures are in place to escalate fraud cases to the senior management or the Board for action as needed.

Meanwhile the Bank integrated approach to fraud prevention requires sales teams to comply fully with the covenants set out under the formal Board approved Code of Conduct and the Anti-Bribery and Corruption Policy. Together these policies aim to encourage employees to adopt the right behaviours and maintain integrity in all dealings for and behalf of the Bank.





HUMAN CAPITAL

Amāna Bank's Human Capital is entrusted with the responsibility of driving the Bank's strategic objectives, delivering exceptional customer service, ensuring operational excellence, and upholding the principles of ethical banking, and thus are considered key custodians of the business.



MATERIAL MATTERS

- Business Ethics and Anti-corruption
- Market Competitive Remuneration
- Non-Financial Benefits
- Career Prospects
- Local Community development and support



MANAGEMENT APPROACH

Amāna Bank's approach to managing human capital is based on developing high-performing workforce with the motivation and commitment to ensure the Bank's success



KEY RISKS

- Operational Risk
- Sustainability risk

VALUE CREATION HIGHLIGHTS - 2024

FOCUS AREA

Reinforce Amāna Bank's position as an Employer of Choice

Equal Opportunities in Leadership Roles

Build Empowered Leaders

KEY INPUTS

Upgrading recruitment, selection and on-boarding aspects on par with global standards

Roll out of phase II of the ESOP scheme

Recognition of the first-ever female CEO award winner whilst being promoted to the position of Head of HR during the year

15 employees on-boarded to the inaugural Executive Leadership Development Programme

OUTPUTS FOR AMĀNA BANK

84% overall employee retention rate

100% retention rate at management level

Higher levels of employee satisfaction

5:1 (M:F) Overall Gender Ratio

26% increase in profit per employee

STAKEHOLDER OUTCOMES

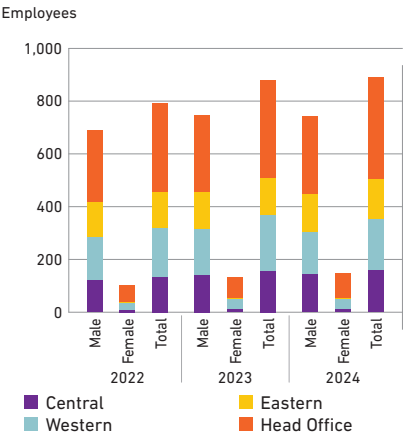
Improved service quality for customers attributed to well-trained and motivated employees

Higher employee productivity contributing to overall business performance

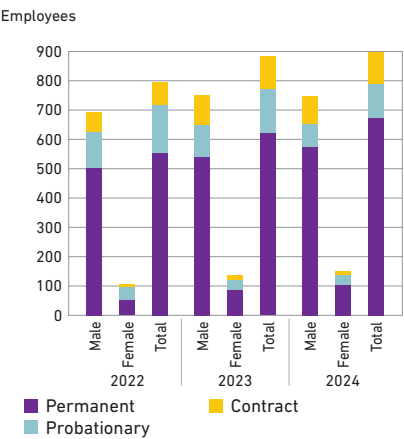
Increased employment opportunities for the community

AMĀNA BANK EMPLOYEE PROFILE

Employees By Region



Employees By Employment Contract



Employees By Employment Category



HR GOVERNANCE

A comprehensive framework of HR policies covering all aspects of the employment life-cycle from recruitment, benefits, performance management, training and development, and grievance handling serve as the foundation for governing Human Capital activities at Amāna Bank. This policy framework which complies with regulatory requirements and globally accepted best practices, establishes a set of standardised procedures for the effective management of Human Capital processes.

The Bank's HR department, which is headed by Head of HR, is entrusted with the responsibility for implementing the policy framework.

All policies are reviewed regularly and updated as needed, considering regulatory changes, industry best practices and emerging global HR trends. The Head of HR reports to the Chief Operating Officer of the Bank regarding policy revisions.

Regulatory Requirements

Shop and Office Employees Act of 1954

EPF Act

ETF Act

Payment of Gratuity Act of Sri Lanka

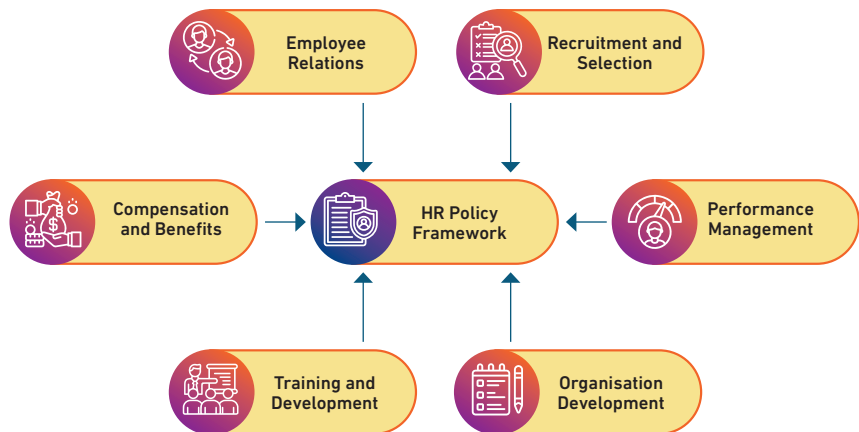
Global Best Practices

UNGC Principles on Labour and human Rights;

Principle 4:
Forced or Compulsory Labour,

Principle 5:
Child Labour and

Principle 6:
Non-discriminatory employment



RECRUITMENT AND SELECTION

Recruitment at Amāna Bank follows a structured and systematic approach, guided by the annual Manpower Plan, which is developed in conjunction with the annual budgeting cycle. For the preparation of the Manpower Plan, each business unit and division is required to assess their respective staffing needs for the upcoming year in line with strategic objectives. The finalised Manpower Plan is submitted for Board approval alongside the annual budget.

Amāna Bank’s Recruitment Policy provides the foundation for fair and transparent hiring, based on equal opportunities to all potential candidates. Accordingly, the Bank welcomes applications from both internal and external candidates, with all vacancies publicly advertised and internally communicated to encourage existing employees to apply for available positions.

A standardised selection process is in place to ensure candidates are evaluated purely on merit. Shortlisted applicants undergo a series of role-specific assessments, followed by multiple interviews. These processes are designed to enable the Bank to fill vacant positions on average within 4 weeks from the advertisement of the vacancy, though timelines may vary depending on the employee category.

All newly recruited employees are placed on a probationary period of 12 months, during which time their performance is assessed to determine their suitability for continuity of employment.

In the year under review, the recruitment and selection processes were upgraded with a view to enhancing efficiency, consistency, and outreach. One key change was the standardisation of job descriptions and application forms, making it easier for hiring managers to assess candidates objectively. At the same time, appointment letters were also standardised to provide greater clarity to new recruits.

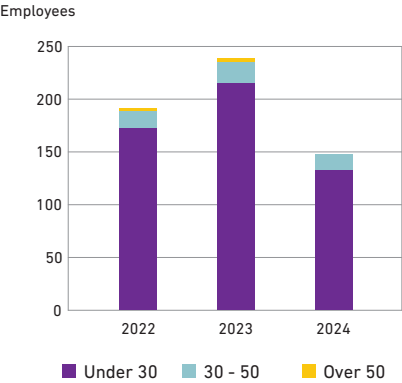
As part of the same exercise, selection procedures were further strengthened with clearly defined interview formats, standard assessment methods, and evaluation metrics introduced to minimise inconsistencies and avoided last-minute changes that could affect the quality of candidate evaluations.

The introduction of an online aptitude test was another significant change aimed at ensuring consistency and efficiency in assessing skills and competencies. Online testing also allows for quick analysis of results to support the Bank’s target timeline for filling vacant positions.

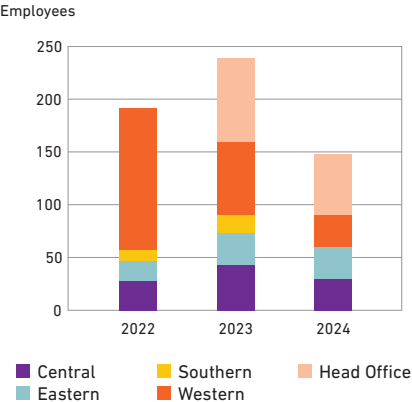
Another significant improvement was the inclusion of a final interview with the relevant Management Committee (ManCom) member, to allow candidates interact directly with senior management, gaining deeper insights into the Bank’s strategic goals and culture, while also enabling the Bank’s senior leaders to determine the best-fit candidates in alignment with Amāna Bank’s culture, values and work ethic.

Additionally, candidate outreach activities were expanded to increase visibility and enable Amāna Bank to access diverse talent from around the Country. The Bank participated in Career Fairs hosted by state and private universities, as well as professional institutions while internships were awarded to promising candidates.

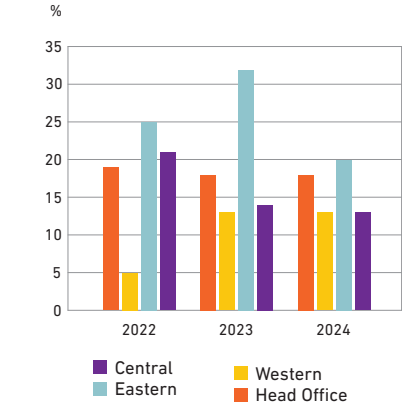
New Employee Recruits By Age



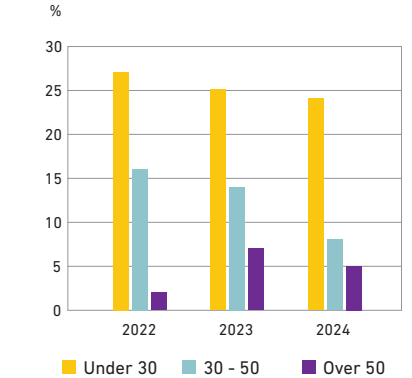
New Employee Recruits By Region



Employee Turnover by Region



Employee Turnover By Age



INDUCTION AND ORIENTATION

Amāna Bank’s induction and orientation process is designed to ensure a smooth transition for new employees into the organisation. The process begins with a structured 5-day onboarding programme to familiarise new recruits with the Bank’s vision, mission, values and ethical framework.

As part of the induction, new employees are further informed about the Bank’s policies, procedures, and compliance requirements, ensuring they understand the regulatory landscape in which the Bank operates. Meanwhile the orientation is conducted by the Bank’s senior management and divisional heads who offer guidance and facilitate knowledge transfer to help ease the transition for new employees.

In 2024, the induction process was formalised through the introduction of a welcome pack for all new employees, containing essential resources, branded merchandise, and information about the Bank’s policies and culture.

DIVERSITY AND INCLUSION

Amāna Bank is deeply committed to fostering a workplace culture that embraces diversity and inclusion. The Bank actively works towards eliminating unconscious bias at every employee touch-point, including hiring without bias, offering equal pay for equal work and prioritising equal opportunity, regardless of gender, ethnicity, religion or background.

In 2024, significant emphasis was placed on increasing the representation of women through a higher number of female staff recruitments. In parallel, the Bank continued to roll out impactful initiatives to promote female representation in leadership roles. A landmark achievement was the recognition of the first-ever female CEO award winner

which sets a powerful precedent and serves as an inspiration for aspiring female leaders across the Bank. Another significant initiative was the appointment of a female Head of HR for the first time in the Bank’s history, underscoring the Bank’s dedication to placing women in influential decision-making positions. Additionally, a sustainability programme was successfully coordinated by a female staff member, highlighting the potential of female employees to lead impactful programmes and reinforcing the importance of their inclusion in leadership.

REMUNERATION AND BENEFITS

Competitive Remuneration has always been central to Amāna Bank’s efforts to attract and retain a high quality team. The Bank’s Remuneration and Benefit structures, in addition to being fully compliant with all regulatory stipulations also reflect industry norms and align with global best practices.

As part of ongoing improvements to remuneration structures, many changes were introduced in 2024 with a view to enhancing financial security of employees against the backdrop of heightened economic pressures in recent years.

One of the most significant developments in 2024 was the roll out of Phase II of the ESOP. This initiative, launched in 2023, was rolled out to Executive Directors and employees above the Managerial Level 1 categories in 2024 as well allowing eligible employees to benefit from the Bank’s growth trajectory in the coming years.

Additionally, the entire benefit structure was revamped with enhancements made to employees’ fixed benefits, health benefits, home financing, personal financing and emergency financing schemes for staff.

Human Capital Development Highlights for 2024	
Recruitment and Selection	Standardisation of documents including job descriptions, application forms, and evaluation criteria for objective candidate assessments.
	Standardised appointment letters to provide candidates with clearer expectations, promoting transparency and fairness.
	Strengthened selection procedures with clearly defined interview formats, standardised assessment methods, and evaluation metrics to minimise inconsistencies.
	Introduction of an online aptitude test to ensure consistency and efficiency in assessing skills and competencies of potential candidates.
	Expanded candidate outreach activities to increase visibility and attract diverse talent from across the country.
Induction and Orientation	Introduction of welcome pack for all new employees.
Diversity and Inclusion	Recognition through the first-ever female CEO award winner.
	Appointment of a female Head of HR.
	Successful coordination of a sustainability programme by a female staff member.

Human Capital Development Highlights for 2024

Remuneration and Benefits	Tranche II roll out of the ESOP scheme for employees above the M1 grade.
	Employee healthcare benefits were further enhanced with more than a 100% increase in the Hospitalisation Limit.
	Introduction of new concessionary rates to the Home Financing Scheme for staff.
	Concessionary rates and limit enhancements introduced for Personal Finance for staff.
Training and Development	Introduction of a new structure for Emergency Financing for staff.
	Total of 142 training interventions were conducted with over 31% Amāna Bank employees benefitting from these programmes.
	Introduction of a Customer Care course to the e-learning platform.
	Established a strategic partnership with the Institute of Bankers of Sri Lanka (IBSL) to provide staff with opportunities to participate in industry-relevant courses, certifications, etc.
Performance Management	All permanent employees of Amāna Bank received the annual performance appraisal.
	Performance-based bonuses were paid in accordance with HR policy.
	70 employees recognised at the annual awards day 2024.
Leadership Development	15 employees were selected to the ELDP.
	Established a strategic partnership with the Institute of Bankers of Sri Lanka (IBSL) to provide staff with opportunities to participate in industry-relevant courses and certifications.
Safety and Well-being	200 employee hours of safety training.
	Annual eye camp was organised for the benefit of numerous employees.
	Special Family Support Initiatives were provided for the well-being of employees and their families.

Both the mid-year review and an annual performance appraisal for 2024 were also conducted via the HRIS, allowing for greater accuracy and transparency in rewarding high performers, identifying potential employees for career growth and also determining training gaps at an individual and divisional level.

Exceptional performers identified through the 2024 performance cycle were rewarded with increments, promotions, and other incentives, including performance-based bonuses.

The annual Awards Day is also an important event that celebrates employee achievements and contributions.

AMĀNA BANK AWARDS 2024

The Bank hosted its prestigious Amāna Bank Awards 2024, themed 'Rewarding Excellence,' to celebrate the extraordinary success and exceptional contributions of its employees. The ceremony held at Shangri-La Colombo was attended by the Board of Directors and all staff of the Bank. A total of 70 employees were recognized across 30 award categories.

The highlight of the evening was the presentation of the pinnacle 'CEO Award' which is considered the highest recognition given to those who have shown great commitment and leadership beyond their regular call of duty thus bringing great value to the Bank. The recipients of the CEO Award for 2024 were Dasun Samarasinghe (Manager – IT Infrastructure Systems), Maznavi Rumi (Manager – Strategy and Sustainability), Shakir Navaz (Manager – Finance) and Hilufa Agees (Head of Human Resources). Incidentally this was the first time a female employee was recognised with the CEO Award, showcasing strong female contribution towards the Bank's success.

PERFORMANCE MANAGEMENT

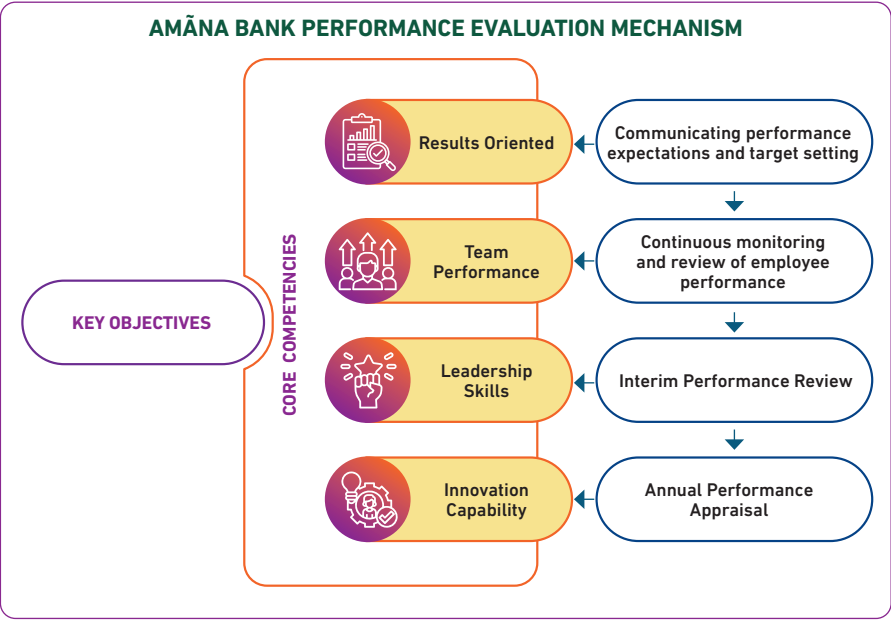
Amāna Bank's well-structured performance management system is designed to foster goal alignment by encouraging employees to grow alongside the organisation, to fulfill their personal career aspirations. This process begins with the establishment of Key Performance Indicators (KPIs) at the start of the year, setting a clear framework for performance expectations.

Following the implementation of a fully automated HRIS in 2023, the KPI-setting exercise for 2024 was seamlessly managed through the system which has empowered managers to monitor performance of employees in real time and provide ongoing feedback as needed.

In the category of Branch Awards, the Bank’s Pettah Branch walked away with the Gold Award for Best Overall Branch which was presented to Branch Manager Nishath Nawaz while Matale Branch was bestowed the Silver for Best Overall Branch, collected by Branch Manager Ifham Inthisar. In appreciation of the long-standing commitment and loyalty, the Bank also recognized 180 employees who have completed ten years of service, with a special token presented to honour their decade of dedicated service to the Bank.

TRAINING AND DEVELOPMENT

Training and development is viewed as a key strategic priority, especially given the dynamic and evolving environment in which Amāna Bank operates. The Bank’s annual training plan and budget are designed to allocate sufficient resources to ensure that employees receive ongoing training to enhance their skills and competencies.



The training plan is developed based on the training needs assessment conducted during the annual performance appraisal, which identifies areas for improvement and growth. The training budget is then established with due consideration of the skill development needs to support the Bank’s strategic objectives and long-term success.

Measuring Employee Satisfaction

Staff Surveys: Conducted regularly to anonymously gather insights into workplace concerns and improvement areas.

HR Branch & Division Visits: HR representatives frequently visit different divisions and branches to engage with employees, collect on-the-ground feedback, and ensure concerns are addressed in real time.

Training Feedback: Employees provide feedback after attending Learning & Development programmes, helping refine training initiatives to align with employee expectations and career growth needs.

Exit Interviews: Conducted with departing employees to gain insights into workplace challenges and implement necessary improvements to enhance employee retention and satisfaction.

Training is delivered mainly by the Learning & Development team with Amāna Bank’s Knowledge Marketing (KM) Unit providing product knowledge on the Bank’s unique non-interest bearing model. Additionally, the Bank often sources external expertise to provide employees with training on specialised topics.

In recent years, the Bank has increasingly leveraged technology tools to deliver training and promote continuous learning among employees. In 2024, a series of e-learning courses on customer service were introduced in line with Amāna Bank’s flagship “Together We Care; Together We Grow” programme aimed at shaping exceptional employees. The new course provided employees with comprehensive training on customer service

best practices, including effective communication, conflict resolution, and proactive problem-solving techniques. To ensure knowledge retention and application, the programme concluded with a quiz that tested participants on key concepts covered during the course.

Training Topic	Target Employees	No. of Participants
Induction and Orientation	New Recruits to the Bank	141
Refresher Programme	Staff members who have completed a year with the Bank	16
Amāna Certified Islamic Banker	Junior Executive and Below Grades	160
Customer Service Certification	Junior Executive and Below Grades	278
Self -Development Programme	BDOs in all regions	80
Training Programme on Branch Operations	Frontline staff of branches	40
Training for CRMs and Support Divisions	Relationship Managers & Nominated Branch Staff	133
Executive Development Programme	High Potential Executive Officers	12
Fire Warden Training Programme	Fire Wardens of Divisions	25
Training on Communication Skills, Teamwork and Collaboration Development	Identified staff members through the Training Needs Analysis	42
ATM and CDM Operations	Branch Cash Officers	34
Programme on Trade Based Money Laundering	Selected staff from Business units and Branches	64
ISO 22301:2019 Lead Implementer Training	Selected Staff Members of various Divisions	25
Understanding the P&L and CRIB	Assistant Branch Managers and ELDP Batch 01	46
Workshop on Efficiency and Excellence	Identified staff through the Training Needs Analysis (Junior Executives and Below)	48

LEADERSHIP DEVELOPMENT

Developing future leaders of Amāna Bank is crucial to the Bank's efforts to provide employees with rewarding careers. Accordingly, high performers identified during the annual performance appraisal are selected for further development through Individual Development Plans (IDPs) designed to help employees build on their strengths and address areas for improvement in order to create career pathways to groom them as future leaders within the Bank.

Key Leadership Development Initiatives

Executive Leadership Development Program (ELDP)

The ELDP is Amāna Bank's ongoing leadership development initiative. The 3-month programme covers a wide range of topics essential for leadership excellence including compliance, foreign currency, regulatory frameworks and international financial operations. In 2024, the ELDP course content was further expanded with the introduction of a Sharia operations module along with a computer literacy segment and as well a workshop on soft skills development for impactful leadership.

Creating Career pathways in Partnership Institute of Bankers of Sri Lanka (IBSL)

In 2024, Amāna Bank established a strategic partnership with the Institute of Bankers of Sri Lanka (IBSL) as an official training partner for the IBSL.

The partnership provides staff with opportunities to participate in industry-relevant courses, certifications, and workshops designed to develop technical skills, regulatory knowledge that could potentially enabling employees to pursue a wide range of specialised career pathways within the Bank.

EMPLOYEE RELATIONS AND GRIEVANCE HANDLING

Building strong employee relations is deemed essential for gaining employee trust and ensuring their continued commitment to the Bank's long-term success. As such, all Managers are expected to uphold the Bank's open-door policy by encouraging employees to come forward to share feedback and concerns. Additionally, Members of the Management Committee (ManCom) who serve as mentors to employees play a key role in enabling employees to connect directly with the leadership team to provide feedback and raise concerns.

A formal Board approved grievance handling procedure is also in place and provides a structured mechanism for employees to lodge complaints and receive appropriate responses.

CULTURE AND CONDUCT

Amāna Bank's approach to strengthening culture and conduct is based on the tone set by the Board, further reinforced through the implementation of the Bank's Code of Conduct and the Anti-Bribery and Corruption (ABC) Policy, both formal documents approved by the Board. These policies serve as key instruments in promoting ethical behaviour, accountability, and transparency across Bank-wide operations.

The Bank communicates and maintains its 'Code of Conduct' Bank-wide and discourages acceptance of any form of gift in cash or kind from the Bank's internal or external customers. In addition, the company gift

policy on giving gifts, hospitality, entertainment or expenses include a descriptive quoted amount as a threshold limit and the procedures and reporting requirements. The Bank explicitly prohibits any form of facilitation payment that would incur reputational damages to the Bank. Further, the Bank's ABC Policy prohibits any payments to Politicians / Political Parties.

The Bank thoroughly condemns any type of discrimination or harassment during and out of employment, while remaining committed to create a harassment free workplace where all employees are treated with respect and dignity. The Bank's Human Resources Management policies and procedures support diversity, fairness and inclusion of all persons while fostering a safe and secure work environment that is free from discrimination, violence and harassment.

SAFETY AND WELLBEING

While the nature of Amāna Bank's operations presents minimal risk to employee health, the Bank considers workplace safety to be a key priority and strictly adheres to all relevant national safety regulations. All Amāna Bank locations are equipped with mandatory fire safety equipment and a designated fire warden. Beyond this, all Bank employees have comprehensive medical insurance cover and also benefit from the annual health camps conducted by the Bank.

Wellness Initiatives - Highlights for 2024

Work Pressure to Work Pleasure Programme

"Work Pressure to Work Pleasure", conducted by the Chief Operating Officer (COO). This programme targeted the heads of operational divisions, focusing on enhancing their ability to streamline operations effectively.

The primary objective of the training was to shift the perception of operational challenges from a source of stress to an opportunity for efficiency and productivity. Through interactive sessions, the COO emphasised the importance of measuring processes using specific indicators, such as key performance indicators (KPIs) and operational benchmarks. Participants were guided on identifying inefficiencies, implementing measurable improvements, and fostering a results-oriented mindset within their teams.

Office Fit After Five Programme

An innovative wellness initiative – the "Office Fit After Five" was designed to promote health and wellness among employees by encouraging physical activity after work hours. The initiative focuses on light exercises and strengthening fitness levels, making it accessible to everyone without requiring specialised equipment. The primary goal of the programme is to help employees reduce stress, be healthy by burning calories and maintain overall fitness, fostering a healthier and more energised workforce.

Additionally, safety awareness sessions are conducted to reinforce safety practices and cultivate a strong safety culture among employees. A key initiative for 2024 was the Fire Warden Training Programme conducted in collaboration with the Safety and Security Department.



Apart from this, the Bank supports employee wellbeing through various targeted initiatives, among them the Work from Home and Hybrid Working arrangements that give employees the flexibility to work remotely depending on their situations and work requirements. In 2024, a special Family Support Initiative was implemented to extend financial support to employees' children.

FUTURE PLANS

Short Term

Invest in initiatives under HR tagline "Together We Care; Together We Grow" to create a more unified and supportive work culture where employees feel valued and part of a larger, collective mission

Mid Term

Introduce a Management Trainee Programme to create a platform for developing the talent pipeline

LONG TERM

Enhance the employee recognition programme to reinforce the importance of employee appreciation



NATURAL CAPITAL



While Amāna Bank’s business as a service organisation does not directly harm the environment, the Bank actively supports initiatives that minimise its own ecological footprint and also encouraging customers to do the same in order to contribute to the preservation of natural resources for future generations



MATERIAL MATTERS

- Support for the Retail and SME sector
- Environmental Footprint



MANAGEMENT APPROACH

Amāna Bank 's approach to Natural Capital is two-fold; on the one hand focusing on Sustainable Banking Initiatives through the core business in alignment with the CBSL Directions (No 05 of 2022) on Sustainable Finance Activities for Licensed Banks and the Climate Change Mitigation and Adaptation guidelines under the Sri Lanka Green Finance Taxonomy published by the CBSL. On the other hand the Bank seeks to recalibrate its internal systems to promote responsible operations in line with the specific Energy Consumption Benchmark Regulation by Sri Lanka Sustainable Energy Authority (SEA).



KEY RISKS

- Sustainability Risk

VALUE CREATION HIGHLIGHTS - 2024

FOCUS AREA	KEY INPUTS	OUTPUTS FOR AMĀNA BANK	STAKEHOLDER OUTCOMES
Green Financing	A formal Sustainability Policy was introduced, developed in compliance with the Regulatory Framework of the Central Bank of Sri Lanka (CBSL) on Sustainable Financing Activities and Green Finance Taxonomy. Necessary credit assessments were carried out to identify and categorize bank’s advances to its priority sectors identified in CBSL Directions, such as Renewable Energy, Sustainable Agriculture, etc.	Value of outstanding credit facilities granted for Priority sectors as at 31 Dec 2024: LKR 1,351 million Number of outstanding credit facilities granted for Priority sectors as at 31 Dec 2024: 295 Total energy generated through financed renewable energy sources for 2024: 94,311 MWh Total power capacity of financed renewable power projects: 32 MW 240% growth in Retail Solar Financing	Priority financing for customers investing in green and sustainable initiatives.
Greenhouse Gas Emissions	Bank-wide GHG emission quantification covering head office, all branches and Self Banking Centres (SBCs), was carried out, under Scope 1, Scope 2 and Scope 3, except for Financed Emissions and Facilitated emissions.	Bank-wide GHG emission for 2024: 2,701 tonsCO₂e	

FOCUS AREA	KEY INPUTS	OUTPUTS FOR AMĀNA BANK	STAKEHOLDER OUTCOMES
Energy Management	Electricity and petroleum fuels (Diesel and Petrol) are the main sources of energy consumed. Electricity consumption is quantified for the entire Bank as well as separately for each facility, comprising head office premises, branches and all SBCs	Bank-wide electricity consumption per floor area for 2024: 161 kWh/m ²	Sustained reduction in emissions benefitting the environment and the wider community.
Water Consumption	Water requirements of the bank are primarily met through the supply of National Water Supply and Drainage Board (NWSDB). Water consumption across the branch network was recorded and monitored.	Average water consumption per employee for 2024: 17 m ³ /employee.	Improved indoor air quality enhancing the health and well-being of employees and customers.
Waste Management	A waste quantification procedure was introduced in 2024 covering the segregated waste streams of polythene, food waste and deteriorated papers in selected locations. Bank's procurement unit implemented an "online vendor registration" process in 2024 which has helped transition the procurement unit into a 95% paperless department. Similarly, the promotion of e-statements during the current year has also contributed to considerable paper savings.	Sustainable Waste Management Initiative was established with Cleantech (Pvt) Ltd. for paper and PET bottle recycling. These initiatives of paper savings contributed to a GHG emission reduction of 1804 kgCO ₂ e for year 2024.	
Indoor Air Quality	Indoor Air Quality (IAQ) is measured by an IAQ monitoring device on regular basis at selected locations of the bank premises. Through the device, a range of parameters are captured and the overall air quality is given based on IAQ index.	Measurements obtained are compared against the IAQ 2022 guideline provided by the Ministry of Environment. All measured locations provided readings with well-maintained IAQ with an overall IAQ index of good/ satisfactory readings.	
Bio-Diversity Conservation	Partnered with Biodiversity Sri Lanka (BSL) for the "Life to Our mangroves", a five-year project to restore one hectare of degraded mangrove land in Anawilundawa wetland sanctuary - one of six wetland sanctuaries that fall under Ramsar convention.	Contribute towards carbon sequestration and opportunity for future carbon offsetting	Support climate resilience, carbon sequestration, and ecosystem restoration.

FUTURE PLANS



Implement SLFRS S1 and S2 standards for reporting

Enhanced staff training and awareness on Sustainability

Increase Solar Financing penetration

Establish branch-wise targets for energy and resource use



Establishing non-interest based external credit lines for green financing

Undertaking other carbon off-setting programmes

Investing in rooftop solar decks at feasible branch premises



Obtain external assurance / certification for green initiatives/infrastructure



SOCIAL CAPITAL

Social Capital encapsulates Amāna Bank’s commitment to ethical banking, financial inclusion, and social responsibility, all collectively aimed at driving social inclusion and enhancing the well-being of society as a whole.



MATERIAL MATTERS

- Banking Convenience for different customer segments
- Local Community development and support



MANAGEMENT APPROACH

Amāna Bank focuses on community upliftment by promoting financial literacy and accessibility to ensure inclusive banking for all, underscoring its commitment to safeguard the social and economic well-being of all Sri Lankans. Additionally, the Bank undertakes high-impact Corporate Social Responsibility initiatives to enable equal access to education and healthcare for underserved communities



KEY RISKS

- Sustainability Risk

VALUE CREATION HIGHLIGHTS - 2024

FOCUS AREA	KEY INPUTS	OUTPUTS FOR AMĀNA BANK	STAKEHOLDER OUTCOMES
Building Strong Communities	68 financial literacy programmes Promoting financial inclusion through Gold Certificate Financing	Gold Certificate Financing continued to create impact by contributing 39% of the Bank's retail portfolio Enhanced brand reputation as a responsible community steward	Support for underserved communities through Financial Literacy Greater social equity resulting in broader systemic change
Minimising Inequalities	To-date a total of 21 rounds of quarterly disbursements amounting to a total LKR 75 million have been made through the OrphanCare Project		Opportunity for employees and customers to contribute to the community in a systematic and structured manner

As part of its people-friendly banking values, Amāna Bank firmly believes that being responsible and ethical is just as important as generating profits and financial gains. Premised on this, the Bank’s core business strategy centres on creating positive impacts while deliberately avoiding financing activities that could lead to negative social or environmental consequences.

FINANCIAL LITERACY

Guided by the Central Bank of Sri Lanka's Financial Literacy Road Map 2024-2028, introduced under the National Financial Inclusion Strategy (NFIS), Amāna Bank has taken proactive steps to inculcate financial discipline across the wider community. To that end Amāna Bank's financial literacy programme reflects the Bank's commitment to responsible and ethical banking.

Financial literacy programmes conducted by the Bank's Knowledge Marketing unit, are designed to provide individuals with essential financial knowledge to drive personal and professional success. In 2024, the Knowledge Marketing unit conducted 68 financial literacy programmes across Sri Lanka, reaching over 8,500 individuals from diverse backgrounds, including A/L students, undergraduates, women entrepreneurs, trade associations, and professionals in industries such as agriculture, apparel, and healthcare.

Notable initiatives include the partnership with Royal College to launch the Capital Market Club, sponsoring its inaugural Market Mastery workshop to promote financial literacy and informed investment decisions among school students.

In 2024, Amāna Bank also partnered with South Eastern University of Sri Lanka (SEUSL) to enhance graduates' industry-ready skills through a specialized Industry Training Programme (ITP). Facilitated by the Bank's Knowledge Marketing Unit, the initiative was aimed at developing expertise in non-interest banking and providing students with practical learning opportunities to support their academic and career growth.

Amāna Bank also continued its partnership with UTO EduConsult for Season 3 of EntreMindz to inspire young entrepreneurs

through knowledge sharing, experiences, and insights, while reaffirming its commitment to fostering innovation and economic growth.

FINANCIAL INCLUSION

Amāna Bank leverages its Gold Certificate Financing to drive financial inclusion by providing a secure and accessible credit solution for the unbanked and underbanked segments of society. By using gold as collateral, the Bank enables individuals and small-scale rural businesses to access financing without traditional credit history requirements.

This initiative aims to encourage unbanked and underbanked communities to participate in the formal financial system. Through streamlined processes and simplified access to credit, Amāna Bank helps individuals meet urgent financial needs, invest in business growth, and enhance their economic stability.

By integrating Gold Certificate Financing into its broader financial inclusion strategy, Amāna Bank reinforces its commitment to people-friendly banking, making financial services more inclusive, ethical, and accessible to all.

CSR PROJECTS

As a part of its commitment to social equity, Amāna Bank undertakes Corporate Social Responsibility (CSR) initiatives that actively contributes to the welfare of communities, reinforcing its role as a responsible corporate steward.

- ❖ **School Bag Donations** - to students of St. Mary's College, Bambalapitiya, Susitha Special Education School, Gampaha, and Kuliyapitiya Yagamwela Vidyalaya
- ❖ **Children's Day Celebrations 2024** - Amāna Bank celebrated Children's Day 2024 by organizing engaging activities

at schools, nurseries, orphanages, and public spaces across the country. With the participation of its island-wide branch network, the Bank facilitated a fun-filled day for children, featuring games, entertainment, and rewards, fostering joy and community engagement

- ❖ **Scholarship Support**- scholarship scheme for undergraduates from the Galle District
- ❖ **Food Voucher Program** - Sponsored a breakfast food voucher program for benefits of deserving students at Mahanama College
- ❖ **Support for Para Athlete Khalid Oshman** - Amāna Bank has been supporting National Para Athletics Gold Medalist Khalid Oshman since 2022, reaffirming its commitment to empowering athletes with disabilities. Khalid's remarkable achievements include winning a gold medal in the 100m sprint at the National Para Athletics 2024, a gold medal in blind boxing, and a silver medal in the 5km run at the 4th International South Asian Games in India. He has also competed in multiple Ironman 70.3 events in Vietnam, India, and Sri Lanka, alongside participating in numerous national and international marathons. Additionally, Khalid has represented Sri Lanka in the Blind T20 World Cup in both 2017 and 2022, showcasing exceptional resilience and determination
- ❖ **Healthcare Support** - Donation to the Lions Club of Anuradhapura City for establishing an Ophthalmic Surgical Theater



OrphanCare is the flagship initiative launched by Amāna Bank as part of its three-pillar Sustainability Framework focused on core banking, operations and CSR. Within the CSR pillar, the Bank places a strong emphasis on supporting children, particularly in the areas of education, health, and overall well-being. In line with this commitment, OrphanCare was established in 2019 to provide meaningful and sustained assistance to orphaned children, ensuring they receive the financial and qualitative support necessary for a brighter future. The programme is overseen by an independent board of trustees, ensuring transparency, accountability, and effective management of resources.

Since its inception, OrphanCare has made a significant impact, extending its reach to 91 registered orphanages across the country. Through this initiative, the lives of 3,100 orphans have been transformed, with financial aid directly credited to their individual accounts. Beyond monetary support, the programme also implements qualitative measures to enhance their well-being, providing them with opportunities for personal growth and development.

Over the past five years, the programme has ensured uninterrupted financial support through 21 quarterly disbursements, maintaining a steady flow of aid to orphaned children. The total disbursement to date exceeds LKR

ORPHANCARE BOARD OF TRUSTEES

Mr. Ruzly Hussain
(Founder of the Rotaract movement in Sri Lanka) - Chairman

Jazri Magdon Ismail
(Past President AAT) - Treasurer

Harsha Amarasekera
(President's Counsel)

K.R. Ravindran
(Chairman, Board of Trustees of Rotary Foundation USA and former President Rotary International),

Sharad Amalean
(Co-Founder MAS Holdings)

Deshabandu Tilak de Zoysa
(Chairman Helpage International)

Osman Kassim
(Founder Chairman Amāna Bank)

Tyeab Akbarally
(Senior Director Akbar Brothers)

Mohamed Azmeer
(Managing Director/CEO Amāna Bank)

Kasturi Chellaraja Wilson
(Renowned business personality)

75 million, underscoring the program's long-term dedication to improving the lives of orphans. By ensuring timely financial assistance and a structured approach to support, OrphanCare continues to be a beacon of hope, offering orphaned children a stable foundation for a better tomorrow.

FUNDING

OrphanCare has established the following platforms for fund collections

- ❖ 565 Donation Tills placed across retails stores and boutique shops
- ❖ Availability of multiple digital Donation

Channels to facilitate fund inflows including

- ❖ Online Payment Gateway in partnership with Webxpay
- ❖ Donations via 1000+ Pay & Go kiosks
- ❖ Donations via any mobile/payment wallets facilitated by LankaQR from LankaPay
- ❖ 3996 Monthly Standing Orders from Amāna Bank customers
- ❖ Corporate Partnerships : Corporate Partnerships were launched in 2023 as a fund raising initiative with Agility Innovation becoming the first corporate partner followed by Expo Lanka Holdings as the second partner organisation
- ❖ Merchant Partnerships: A novel fund raising initiative was launched during 2nd half of 2023 with Paan-Paan becoming the first partner to the Project (Pledging a Contribution for every loaf of Kade Paan sold). During 2024, 4 more Merchant Partnerships were established with prominent brands
- ❖ American Premium Water Systems (Pledging a Contribution for every 19 litre bottle sold)
- ❖ Caravan Fresh (Pledging a Contribution for every loaf of bread sold)
- ❖ Emerald Shirts (Pledging a Contribution for every Shirt sold)
- ❖ Rough Clothing (Pledging a Contribution for every T-Shirt sold)

- ❖ **Project Partnerships:** Orphan Care partnered with renowned and celebrated Sri Lankan author/photographer Mr Nawaz Vilcassim on his latest publication titled "Hidden Gems and a Traveller's Tales". The Coffee Table Book was Co-Branded with OrphanCare while the entire sale proceeds were donated to the OrphanCare Trust Fund. The total fund inflows recorded through book sales exceeded the largest single donation OrphanCare had received upto now. This partnership resulted in the cause of OrphanCare being popularised across the world through the International Launch Events carried out by the Author himself including UK, Singapore, Australia, Norway, Canada and the USA.
- ❖ **Service Partnerships :** Service Partnerships were strengthened with E-Beyonds as website enabler, Pay & Go Kiosks as Donation Channel Enabler, Webxpay as Internet Payment Gateway enabler, and E&Y as the Honorary Provider of Audit and Tax services

Special Initiatives conducted through OrphanCare

Apart from its core premise, the OrphanCare also undertaken several special initiatives over the years. The key initiatives for 2024 include:

- ❖ **Feed an Orphan –** An exclusive Ramadan program was initiated in 2023 with external donor support where meals were provided to Orphans in identified care homes enabling them to observe and break the Ramadan fast. This project continued in 2024 as well

- ❖ **Library Project –** This initiative was launched to promote the habit of reading among children in identified care homes by establishing and improving libraries within the Orphanage. This is done in collaboration with Pick-a-Book, Sri Lanka Chapter. CMLU Balapokuna Orphanage and Ratmalana Boys Home have been beneficiaries of this project thus far
- ❖ **Financial Support for A/L Students :** 97 Orphans have been supported for A/L studies (Tuition Fees) courtesy of financial support received from well-wishing donors
- ❖ **Health Camps:** 4 Health camps, 3 specifically directed at adolescent health care and 1 Eye Camp where spectacles were donated to children in need have been concluded. The eye camp was facilitated by the Bank's Kinniya branch at Al Hasanath Orphanage – Kinniya while the 3 Health camps were conducted in collaboration with the Rotaract Club of Colombo University Medical Faculty at Sri Lankadara Girls Home, Sri Jinaratna Children's Centre, and Ceylon Moor Ladies Union.
- ❖ **Securing Employment :** 4 Orphans secured training/gainful employment through OrphanCare Secretariat intervention (Dental Assistant /Office Assistant/Receptionist/ Chef)

GOING FORWARD

Plans are underway to launch a programme to provide additional grants up to a limit of LKR 50,000/= to orphans within the ages of 18-21 subject to eligibility criteria. The additional sum which will be added to the orphan's savings account, represents a key step towards encouraging and motivating the 18+ year olds to pursue higher education and vocational pursuits. The initiative is set to commence with effect from early 2025 with the support of Amāna Bank's branch network.

FUTURE PLANS



Continue Merchant Partnerships programme for OrphanCare
Promoting Women Entrepreneurship
Financing towards creating social impact



Use of digital platforms for Financial Literacy and Knowledge Marketing programmes
Introduce OrphanCare Impact Report



Establish clear targets to guide community investments

CAPITAL TRADE-OFFS

Trade-offs	Short Term	Medium Term	Long Term
 Financial Capital	The Bank's unique model of giving returns to depositors through profit-sharing ratios (PSR) may potentially give rise to higher costs during periods of accelerated deposit mobilisation for the applicable tenor.	In pursuit of asset growth, Amāna Bank must be mindful of the associated credit costs that may hamper its sustained level of profitability.	Amāna Bank's ethical financing approach fosters customer loyalty and positioning the Bank for sustainable long-term growth.
 Manufactured Capital	Investing in digital banking platforms and automation requires substantial capital expenditure, and the benefits—such as increased customer adoption and cost efficiencies—may take time to materialise.	While there is a growing need for digital banking solutions, maintaining a physical presence remains crucial for customer trust, particularly in regions with lower digital adoption. Striking the right balance between physical touch-points and digital banking services can be a challenge.	To align with global trends in sustainable banking, Amāna Bank may need to invest in eco-friendly branches and energy-efficient operations, which require ongoing capital expenditure.
 Intellectual Capital	Creating awareness and capacity building to help employees and customers understand non-interest based banking principles requires continuous investment in specialised training and awareness, which can impact short-term profitability	To maintain a competitive edge, Amāna Bank must develop unique financial solutions tailored to the customer needs of non-interest based banking. However, excessive customisation may increase operational complexity and limit scalability compared to conventional standardised banking models.	While Amāna Bank is currently the only fully fledged licensed commercial in Sri Lanka operating under Islamic banking principles, conventional banks and finance companies entering this market with window operations may intensify competition. Therefore, ongoing investment in intellectual capital is necessary to maintain leadership.
 Customer Capital	While Amāna Bank positions itself as an 'Open to All' Bank and is continuously investing towards this, customers who inherently resonate with the Bank's values and principles are naturally more inclined to embrace its banking model. This could slow down broader customer acquisition compared to conventional banks.	Maintaining strong customer relationships through ethical financing and superior service builds long-term loyalty, but customers may still be drawn to competitors offering attractive pricing.	Meeting evolving customer needs will require ongoing research and product innovation, all of which require significant resource allocation.
 Human Capital	Allocating resources to employee training and development requires time and financial investment, which may temporarily impact operational efficiency and short-term profitability. Employees may need to take time away from their roles for upskilling, leading to short-term gaps in productivity.	As the Bank invests in employee growth and career progression, other financial institutions may seek to attract trained talent with better remuneration packages. Retaining skilled employees while staying cost-competitive becomes a challenge.	Long-term investments in human capital, such as leadership development programmes, career progression pathways, and employee well-being initiatives, require sustained financial commitments, potentially impacting cost efficiencies.
 Social Capital	Amāna Bank's focus on CSR means allocating resources to unbanked and under-banked communities. While this strengthens its social reputation, it may impact the bottom line.	While Amāna Bank actively invests in financial inclusion and community upliftment, it must ensure these initiatives remain financially viable. Striking a balance between community-driven investments and maintaining healthy profit margins can be challenging, especially as the Bank expands its operations.	Amāna Bank's focus on extending banking services to unbanked and under-banked communities carries inherent risks, necessitating ongoing strengthening of risk assessment frameworks.
 Natural Capital	Implementing environmentally sustainable banking practices, such as adopting energy-efficient infrastructure, digital banking solutions, and reducing paper usage, requires upfront capital expenditure. These investments may marginally impact profitability.	Aligning with evolving environmental regulations and international sustainability standards may require continuous adjustments to policies and reporting frameworks, adding compliance costs and operational complexity.	A strong commitment to sustainability enhances brand reputation and attracts environmentally conscious customers and investors. However, maintaining leadership in green financing may require continuous innovation and differentiation, demanding long-term strategic planning and investment.



A SPECTRUM OF GROWTH IN PROGRESS

Marking significant milestones, Amāna Bank's journey reflects continuous progress—expanding reach, enhancing services, and strengthening financial performance.

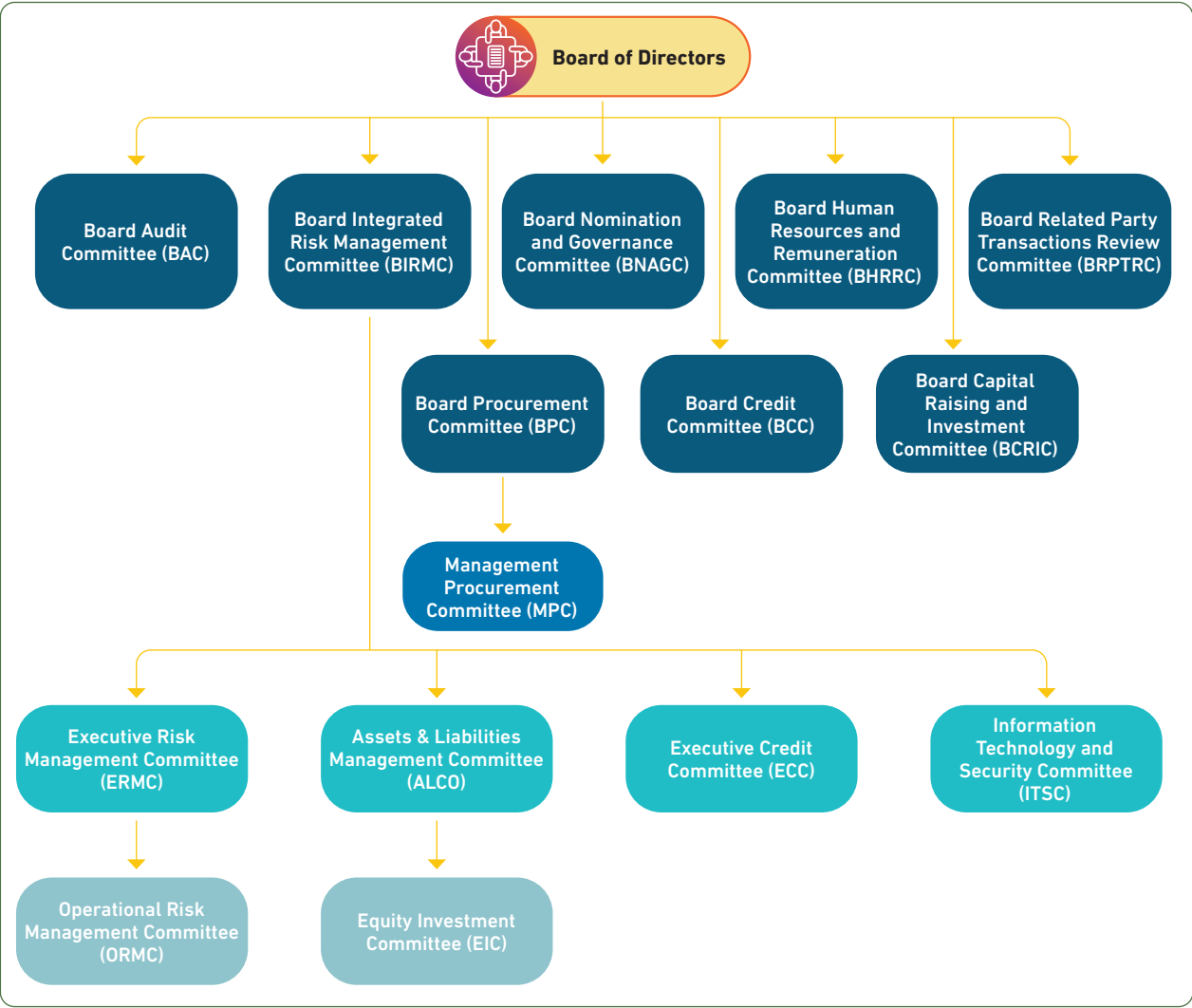
CORPORATE GOVERNANCE REPORT

AMĀNA BANK CORPORATE GOVERNANCE PHILOSOPHY

Amāna Bank's corporate governance philosophy centers around transparency, and accountability in all aspects of its operations. The Bank is committed to ensuring that its governance practices align with all applicable regulatory frameworks governing licensed commercial banks in Sri Lanka as well as entities listed on the Colombo Stock Exchange (CSE). Further as the only sharia-compliant Bank in the Country, Amāna Bank's governance processes are deeply influenced by Islamic banking principles. These principles guide the Bank's decision-making processes, ensuring that all financial activities are consistent with its unique banking model.

The Bank's corporate governance philosophy extends beyond regulatory compliance to embody the commitment to global best practices, where the internal constitution, comprising the articles of association, governance policies, charters, and conduct framework are all formulated with equal emphasis on regulatory alignment and the adoption of global good governance principles.

Furthermore, Amāna Bank's corporate governance framework is built around uncompromising ethical conduct which cascades across all operations, decision-making processes, and relationships with stakeholders.





AMĀNA BANK
Corporate Governance Framework

Regulatory Requirements

- ❖ Companies Act No. 07 of 2007
- ❖ The Banking Act No. 30 of 1988 and its amendments
- ❖ The Banking Act Direction No. 11 of 2007 on Corporate Governance for Licensed Commercial Banks issued by the Central Bank of Sri Lanka and its amendments
- ❖ The Anti-Money Laundering Laws and Regulations and Financial Transaction Reporting Act No. 6 of 2006 and its amendments
- ❖ The Listing Rules of the Colombo Stock Exchange
- ❖ Securities and Exchange Commission Act No. 19 of 2021
- ❖ The Inland Revenue Act No. 24 of 2017 and its amendments
- ❖ The Shop and Office Employees Act No. 19 of 1954 and its amendments
- ❖ The Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995
- ❖ The Foreign Exchange Act No. 12 of 2017 and its regulations
- ❖ All other applicable regulations

Voluntary Codes and Best Practices

- ❖ The Code of best Practice on Corporate Governance 2017
- ❖ IR Framework issued by IIRC
- ❖ ISO 27001 Information Security System Standards
- ❖ UNGC Sustainability Principles
- ❖ Sustainable Development Goals (SDG's)

Internal Frameworks

- ❖ Articles of Association
- ❖ Board Charter
- ❖ Sharia Supervisory Council Rulings
- ❖ Board-approved TOR of Board Committees
- ❖ Board-approved policy frameworks for governance, risk and operational areas
- ❖ Code of Conduct for Bank Employees

Governance Structure

Assurance



Internal Audit



External Auditors

THE BOARD

The Board of Directors of Amāna Bank PLC serves as the main governing body of the Bank. Guided by the Board Charter, which defines the Terms of Reference (TOR), the Board formulates the Bank’s mission, vision, and long-term strategic objectives, and also provides entrepreneurial leadership to drive the implementation of these strategies to safeguard the best interests of all stakeholders.

Matters Expressly Reserved for Board Consideration and Approval

Strategic Direction:

- ❖ Approval of the company's overall Strategic Plan
- ❖ Entering new markets or product lines
- ❖ Major business partnerships or joint ventures
- ❖ Decisions to discontinue major business segments

Financial Matters:

- ❖ Approval of annual budget and capital expenditure plans
- ❖ Significant investments or acquisitions
- ❖ Issuing new equity or debt securities
- ❖ Major changes to dividend policy

Corporate Governance:

- ❖ Appointment and removal of senior executives
- ❖ Setting executive compensation packages
- ❖ Board composition and committee structure
- ❖ Review of internal controls and risk management

Operational Matters:

- ❖ Major operational changes impacting business continuity
- ❖ Significant changes to organisational structure
- ❖ Entering into large contracts or agreements
- ❖ Material changes to pricing or product strategy

Legal and Compliance:

- ❖ Significant legal disputes or litigation
- ❖ Compliance with major regulatory requirements
- ❖ Material changes to company policies and procedures

As the primary custodian of governance, the Board is responsible for establishing a comprehensive corporate governance framework and structure that reflects Amāna Bank’s dedication to transparency, accountability, and integrity throughout its operations. Additionally, certain strategic, financial, operational, and legal decisions are specifically reserved for the Board’s consideration and approval.

In compliance with the provisions of the CSE’s new Listing Rules on Corporate Governance issued in 2024, a new Policy on Matters Relating to the Board of Directors was established to consolidate the roles and responsibilities of the Board. The policy also delves into such areas as Board balance and competency of individual directors, ensuring an agile and competent leadership structure is in place.

BOARD COMPOSITION

Amāna Bank PLC is governed by a strong and well-balanced Board. The Amāna Bank Board as at 31 December 2024 comprised 11 Directors, consisting of 01 Executive Director and 10 Non-Executive Directors, of which 04 were Independent, Non-Executive Directors. The current composition and balance of the Amāna Bank Board is deemed appropriate for Bank’s operations as a commercial bank in line with all regulatory requirements.

The composition of the Board is determined by the Bank’s Articles of Association as well as other applicable regulations including the Banking Act and the Listing rules of the CSE. In 2024, the composition of the Amāna Bank Board was subject to change in line with the new Board balance and diversity guidelines set out under the CSE’s new listing rules on Corporate Governance issued in 2024 as well as the new Banking Act Directives.

To comply with the CSE’s new Listing Rules on Corporate Governance issued in 2024, the

Board Balance

As part of ongoing improvements to ensure continuous improvement of Board quality, the Board established clear guidelines to maintain an optimal balance of skills, expertise, and independence within the Board. The Board also designated the BNAGC to conduct regular assessment of the fitness and propriety of Directors, to bring more emphasis on evaluating qualifications, expertise and continuing professional integrity.

On this basis, it was deemed that Amāna Bank Board as at 31 December 2024 is well equipped in terms of skills, knowledge and diversity perspectives to support the Bank’s strategic objectives in the short, medium and long term.

Composition

Category	Count
Executive Directors	1
Independent, Non-Executive Directors	4
Non-Independent, Non-Executive Directors	6

Diversity of Experience

Category	Count
Banking	7
Accounting & Finance	5
Law	2
Corporate Management	3
Capital Markets	5

Tenure of Directors

Category	Count
0 to 2 Years	6
2 to 4 Years	4
4+ Years	1

Age

Category	Count
30 to 40 Years	5
41 to 50 Years	3
51 to 60 Years	2
60+ Years	1

Board took further action by incorporating new Board balance and diversity guidelines into the newly established Policy on Matters Pertaining to the Board of Directors.

Board Changes for 2024			
New Appointments	Resignations	Retirement	Re-election
Mr. Delvin William Pereira was appointed as a Non-Executive, Independent Director with effect from 28 March 2024	Mr. Aaron Russell-Davison, Non-Executive, Independent Director resigned with effect from 31 January 2024.	None of the Directors retired in terms of section 3(2)(ii) of the Banking Act Direction No.11 of 2007 on Corporate Governance.	Mr. Khairul Muzamel Perera Bin Abdullah (Non-Executive, Independent Director) was re-elected in terms of Article 29(13) of the Articles of Association of the Bank, as a Director.
Mr. Mohamed Zaheer Mohamed Azreen was appointed as a Non-Executive, Independent Director with effect from 20 July 2024	Mr. Omar Kassim, Non-Independent Director resigned with effect from 28 June 2024.		Mr. Ali Asghar Akbarally, Chairman, Non-Executive, Non-Independent Director, Mr. Tishan Subasinghe, Non-Executive, Independent Director, and Mr. Mohamed Adamaly, Non-Executive, Non-Independent Director retired by rotation in terms of Article 29(6) of the Articles of Association of the Bank, and were re-elected as Directors.

APPOINTMENT / RESIGNATION / RETIREMENT AND RE-ELECTION OF DIRECTORS

To ensure due process is followed for the appointment / resignation / retirement and re-election of Directors, a formally documented Policy on Corporate Governance, Nominations and Re-election was approved by the Board and implemented with effect from 28 September 2024, complying with the provisions of the CSE’s new Listing Rules on Corporate Governance issued in 2024.

As per the new policy, appointment of new Board members involves a comprehensive set of procedures carried out under the purview of the Board Nominations and Governance Committee (BNAGC). Accordingly, the BNAGC is charged with conducting a 360 degree review of all potential candidates, considering firstly if the candidate satisfies the fit and proper requirements as stipulated by regulatory bodies. This includes reviewing any potential conflicts of interest as well as the external directorships held by potential candidates to determine that these do not exceed what is reasonable for them to be able to exercise due care, skill and diligence in their role as a member of the Amāna Bank Board. Additionally, the BNAGC assesses the suitability of potential candidates based on how their skills and expertise will complement Amāna Bank’s core business operations and long term strategic objectives. Candidates shortlisted in this manner are presented to the Board for further evaluation and approval with formal appointments made subject to the fit and proper clearance by the CBSL. Any Director appointed during the year in this manner to fill casual vacancy requires the formal ratification

by the shareholders at the next AGM.

In accordance with the Bank’s Articles of Association, one-third of the Non-Executive Directors are required to retire from office at each AGM, though they remain eligible to present themselves for re-election by the shareholders, subject to conditions. As stipulated in the Banking Act, it is mandatory for Directors who have served on the Board for 9 years consecutively or reach the age of 70 years (whichever comes first) to retire at the AGM and are not eligible to stand for re-election.

The BNAGC also undertakes to review Directors’ eligibility for re-election taking into account their past performance, including participation, engagement, and contributions to Board matters.

Shareholders are informed of Board changes via CSE disclosures made within the stipulated timelines. Further, the Bank is committed to transparent and exhaustive disclosures regarding its Directors, encompassing professional qualifications, industry experience, shareholdings, and potential conflicts of interest. These disclosures are being prominently featured in the annual report, reinforcing trust and accountability among stakeholders

MANAGING CONFLICTS OF INTEREST

All Amāna Bank Board Directors are required to exercise utmost good faith in their dealings for and on behalf of the Bank, while strictly avoiding situations that could be perceived as conflicts of interest. Directors are expected to exercise due diligence in identifying and reporting potential conflicts and promptly disclosing them to the Board.

The newly established Policy on Internal Business Conduct and Ethics, applicable to both Directors and employees, provides clear guidelines on how to manage conflicts

Corporate Governance Report *Contd.*

of interest, including the requirement for Directors to immediately report on potential conflict of interest situations and recuse themselves from discussions or decisions where a conflict may arise.

The Bank's Board Related Party Transactions Review Committee (BRPTRC) is responsible for assessing any conflict of interest disclosures made by Directors and recommending appropriate actions to the Board to address and mitigate such conflicts.

DIRECTORS' REMUNERATION

Reaffirming the commitment to ensuring fair and equitable remuneration for its Directors and members of the executive leadership team, the Amāna Bank Board approved a new Policy on Remuneration setting out structures for determining remuneration of Directors, and key executives.

The Policy, which is in line with the provision of the new CSE listing rules on corporate governance, dictates that remuneration of Executive Directors, while remaining on par with the market, should be largely performance-driven, reflecting alignment with the long-term success and sustainability of Amāna Bank. Accordingly, the remuneration package for Executive Directors typically consists of both fixed and variable components, including performance-based incentives, bonuses, and long-term equity awards offered at the discretion of the Board. Remuneration of Key Management Personnel (KMP) is also structured in the same manner.

Meanwhile, reflecting the Bank's commitment to preserve Board balance and quality, all Non-Executive Directors receive a fee for their roles on the Board and any Sub-Committees they serve on. These fees are benchmarked against industry norms, with the Board conducting an annual review to ensure that the remuneration of Non-

Executive Directors remains competitive and in line with latest industry standards.

KEY BOARD RESPONSIBILITIES

Regulatory Compliance

The Board of Directors of Amāna Bank holds the ultimate responsibility for ensuring that the Bank operates in full compliance with all applicable legal, regulatory, and ethical standards.

To the end, the Board together with the Board Sub Committees and the Bank's Management Committee (ManCom) maintain strict oversight and control to ensure Bank-wide adherence to regulatory compliance. The Board further undertakes to continuously monitor regulatory developments, including by engaging with regulatory bodies and various subject experts as needed.

As part of its responsibilities towards managing compliance risk, the Board has also established designated communication channels to encourage employees and other stakeholders to report compliance concerns or violations.

The Amāna Bank Board was actively involved in implementing the new provisions set out under Section 9 of the CSE Listing Rules on Corporate Governance as well as the amendments to Banking Act No. 30 of 1988 with all necessary steps taken to comply with the requirements as per the mandated timelines.

Financial Control and Reporting

The Board of Directors of Amāna Bank discharges its responsibility for financial control and reporting through oversight for the comprehensive development of policies, and procedures to safeguard the accuracy, reliability, and integrity of the Bank's financial information.

To safeguard the Bank's assets and prevent financial irregularities, the Board ensures the establishment of a robust internal control environment for monitoring and mitigating the risks associated with financial activities.

The Board also assumes the responsibility for reviewing and approving the Bank's financial reporting suite, including quarterly and annual reports, thereby confirming the integrity, accuracy, and transparency of financial statements and other published information. Moreover, as a Sharia-compliant financial institution, the Amāna Bank Board is dedicated to ensuring its financial control and reporting processes adhere to Islamic banking principles. The Board, in collaboration with the Sharia Supervisory Council, monitors compliance with Sharia requirements in financial transactions, ensuring that the Bank's activities align with its unique banking model.

For more information, please refer to the Directors' Statement on Internal Control Over Financial Reporting (pages 171 to 172), the Annual Report of the Board of Directors on the Affairs of the Bank (pages 175 to 181), the Independent Assurance Report on Directors' Statement on Internal Control Over Financial Reporting (pages 173 and 174), the Statement of Directors' Responsibility (pages 196 and 197) and the Sharia Governance Report (pages 201 to 205).

Risk Management and Internal Control

The Board fulfils its risk management obligations through an Integrated Risk Management Framework, encompassing the Board approved risk appetite statement, risk policies and procedures accompanied with a robust governance structure, wherein the Board Integrated Risk Management Committee (BIRMC) and the Board Audit Committee (BAC) are assigned to provide focused oversight over critical risk areas. The Board continually reviews the insights and

recommendations provided by these Board sub-committees to determine appropriate action for ensuring that the Bank's risk management framework remains effective and adaptive to changing circumstances.

As part of its risk oversight responsibilities, the Board also sets the tone from the top for promoting the risk-awareness culture to enable employees at all levels to understand the importance of risk management.

In the year under review, the Board, together with the BIRMC and the BAC reviewed and updated the existing risk management framework, further strengthening its alignment with the provisions of the CSE's new Listing Rules on Corporate Governance issued in 2024 on Risk Management and Internal Control.

Conduct and Ethics

The Board aims to lead by example in setting the tone for ethical conduct and behaviours. To embed a culture of integrity and urge employees at all levels to emulate ethics best practices, the Board has developed a comprehensive conduct framework consisting of a wide range of policies and procedures, including:

- ❖ The Code of Conduct - Covering areas such as integrity, fairness, and transparency in business dealings, the policy is designed to ensure that all Directors and employees of Amāna Bank adhere to the highest ethical standards, prevent conflicts of interest, and comply with legal and regulatory requirements
- ❖ Anti Bribery and Corruption (ABC) Policy - sets clear guidelines for acceptable behaviour to enforce compliance with relevant laws and regulations, while promoting the culture of transparency and ethical conduct. The policy applies to all employees, Directors, and third parties acting on behalf of the Bank.

- ❖ Whistleblower Policy - provides a framework for employees and stakeholders to report concerns about unethical behaviour, violations of laws, or other misconduct or suspected wrongdoing, such as fraud, corruption, or violations of Bank policies. The policy aim is to create a safe, confidential environment for reporting concerns without fear of retaliation
- ❖ Disciplinary Policy - Sets out appropriate course of action for those found to be in violation of the Bank's ethics framework

Guided by the Board, the relevant Sub Committees undertook to review and update the existing Code of Conduct, the ABC Policy, and the Whistleblowing Policy in compliance with the provision of the new Corporate Governance listing rules issued by the CSE in 2024.

Information Technology (IT) and Cybersecurity Governance

The Board holds ultimate responsibility for IT governance, ensuring that the Bank's technology strategy is aligned with its business goals and risk management framework. Additionally, the Board is tasked with establishing and maintaining comprehensive IT governance policies and procedures. These policies and procedures are designed to support the effective management of IT resources, safeguard digital assets and ensure adherence to regulatory requirements.

Under the authority delegated by the Board, the Chief Information Officer (CIO) oversees and evaluates the performance of IT initiatives. The CIO ensures these initiatives deliver value, improve operational efficiency, and foster innovation.

Furthermore, the Board has designated a dedicated Information Security Officer to manage the protection and security of

the Bank's digital assets. This Officer is responsible for developing, implementing, and overseeing policies and controls to protect the Bank's digital assets, systems, and data from both internal breaches and external cybersecurity threats. The Officer also provides regular updates to the Board on the effectiveness of the Bank's security measures.

Stewardship of Human Capital

The Board exercises its HR governance responsibilities by overseeing the development of compensation, and succession planning to support the Bank's long-term goals.

The Board, in collaboration with the Board Human Resources and Remuneration Committee (BHRRC), is responsible for developing and implementing competitive remuneration structures that have the capacity to attract and retain a highly satisfied and loyal workforce.

In compliance with the provisions of the CSE Listing Rules issued in relation to corporate governance, a new Board approved Remuneration Policy was established.

Stakeholder Engagement

While the Board retains high-level responsibility for stakeholder engagement, the day-to-day management of these relationships has been delegated to the Bank's ManCom. As per the guidelines set by the ManCom, operational management is tasked with implementing appropriate initiatives to interact with stakeholders to understand their concerns and expectations.

Further details on the methodologies employed for engaging with different stakeholders, including the frequency of engagement and other pertinent information, can be found in the Stakeholder Engagement section on pages 56 to 61 of this report.

Sustainability and Climate Governance

The Amāna Bank Board is responsible for overseeing sustainability strategy and performance. The Board discharges its responsibilities by establishing the Bank’s sustainability strategy and overseeing the integration of Environmental, Social and Governance (ESG) into the Bank’s operations, risk management practices, and decision-making processes.

In 2024, the Board made notable progress in embedding sustainability within the core operations of the Bank. A dedicated Sustainability Policy was developed encapsulating the guidelines set out under the Central Bank of Sri Lanka (CBSL) on Sustainable Financing Activities and Green Finance Taxonomy which represent Sri Lanka’s efforts to meet the United Nations’ Sustainable Development Goals.

Approved by the Board of Directors on 11 March 2024 and implemented immediately thereafter, Amāna Bank’s Sustainability Policy sets out the processes to identify, evaluate and manage material issues under Sustainable Banking Initiatives and provides general policy parameters to guide the Bank’s activities related to sustainable banking.

The stewardship of the Sustainability Policy was vested with the newly formed Sustainable Banking Initiatives Committee (SBIC) comprising the Bank’s ManCom headed by the Managing Director / CEO. The SBIC was tasked with developing the overall strategy for sustainable banking and establishing suitable guidelines to conduct business in a sustainable manner. SBIC meetings are conducted on a quarterly basis and the Board of Directors are updated accordingly. The first SBIC meeting was held on 5 August 2024.

Led by the Board and SBIC, the governance structure relating to Sustainable Banking Initiatives cascades across several layers to support efficient and highly focused deployment of sustainability banking initiatives at an operational level.



Further, in compliance with the provisions of the CSE’s new listing rules on Corporate Governance issued in 2024, a formal Policy on Environmental, Social and Governance Sustainability was approved by the Board and implemented with effect from October 2024.

Shareholder Relations

The Board remains deeply committed to building relationships with shareholders, through the provision of timely, accurate and transparent communications informing them of the Bank’s strategic direction, financial performance, and key decisions that may impact their investments. The Board prioritises open communication, providing regular updates through CSE disclosures, the publication of quarterly and annual financial statements and the annual report. Further the Board promotes two-way dialogue by encouraging shareholders to participate in the Bank’s Annual General Meeting. Alternatively, the shareholders also have the option to write directly to the Company Secretary.

In compliance with the provisions of the CSE’s new Listing Rules on Corporate Governance issued in 2024, two new policies were implemented during the year to further strengthen shareholder relations and communication - 1) the Policy on Relations with Shareholders and Investors and 2) Policy on Corporate Disclosures, both underlining the Board commitment to supply timely and accurate information to shareholders in compliance with all applicable regulatory mandates. These policies were approved by the Board and implemented with effect from 28 September 2024.

Annual General Meeting (AGM)

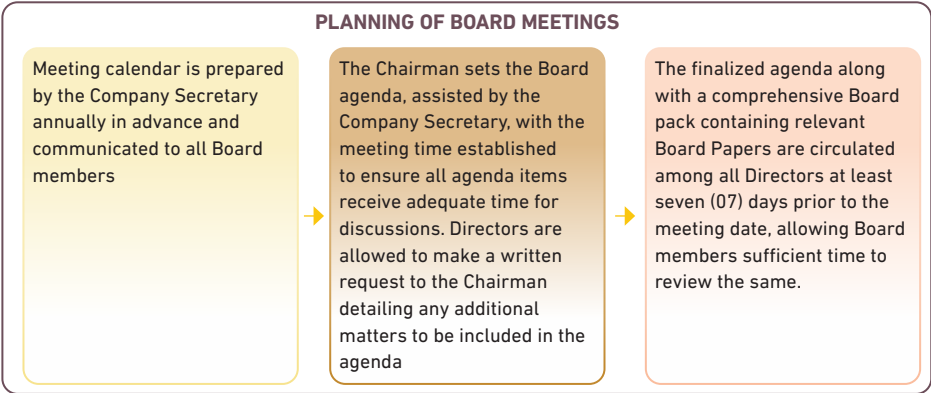
The AGM serves as the main platform for shareholders to connect with the Bank’s leadership. All Directors and members of the ManCom are present at the AGM, facilitating two-way dialogue between shareholders and key decision makers of the Bank.

The Annual Report, Notice of the AGM, resolutions requiring shareholder approval, and voting instructions are distributed to shareholders at least 15 working days prior to the meeting, thus allowing ample time for shareholders to prepare for the AGM.

Amāna Bank’s fifteenth AGM held in 2024 concluded successfully with a high degree of shareholder participation. The Bank’s sixteenth AGM is scheduled to be held on Tuesday, 6 May 2025.

BOARD MEETINGS

Board meetings are held every month or more often when needed. Board meetings are planned ahead by the Chairman in collaboration with the Company Secretary who draws up the annual meeting calendar, which once finalised is circulated among all Directors.



The Chairman takes the lead in ensuring effective Board meetings by ensuring all Directors have the opportunity to contribute, thereby promoting open, constructive discussions and encouraging diverse perspectives, while keeping a strict focus on addressing all agenda items, including deliberations of Board resolutions.

Members of the Bank’s ManCom also often attend Board meetings on invitation.

The Company Secretary is responsible for preparing and maintaining the minutes of each Board meeting. These minutes are first reviewed and approved by the Chairman before being circulated to the Directors. A total of 13 Board meetings were held in 2024.

ACCESS TO INFORMATION

The Board of Directors are entitled to access information necessary for effective preparation and meaningful participation in meetings. Directors can request to review details pertaining to the Bank’s operations, financial performance, risks, and strategic plans, as well as access any relevant documents at any time. They are also permitted to engage with the Bank’s ManCom to seek clarifications as required. Additionally, Directors have the option to obtain independent professional advisory services to support them in fulfilling their responsibilities as Board members. The Bank bears all expenses associated with these consultancy services.

Corporate Governance Report *Contd.*

ATTENDANCE OF DIRECTORS DURING 2024

Name of Director	Main Board		Board Audit Committee		Board Credit Committee		Board Nomination and Governance Committee		Board Integrated Risk Management Committee		Board Human Resources and Remuneration Committee		Board Related Party Transactions Review Committee	
	Participated	Eligibility	Participated	Eligibility	Participated	Eligibility	Participated	Eligibility	Participated	Eligibility	Participated	Eligibility	Participated	Eligibility
Mr. Ali Asghar Akbarally ¹	11	13	-	-	7	12	6	6	-	-	3	3	-	-
Mr. Mohamed Azmeer ⁵	13	13	-	-	-	-	-	-	4	4	-	-	4	5
Mr. Khairul Muzamel Perera Bin Abdullah ²	13	13	6	6	-	-	5	6	4	4	2	3	-	-
Mr. Dilshan Hettiaratchi ³	11	13	-	-	11	12	3	4	-	-	3	3	4	5
Mr. Aaron Russell-Davison* ⁴	0	1	0	1	-	-	-	-	-	-	-	-	-	-
Mr. Mohammed Ataur Rahman Chowdhury ³	11	13	7	7	-	-	5	5	3	4	3	3	-	-
Mr. Syed Muhammed Asim Raza ³	9	13	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Tishan Subasinghe ⁴	12	13	7	7	-	-	6	6	4	4	3	3	5	5
Mr. Omar Kassim* ³	7	7	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Mohamed Adamaly ³	9	13	-	-	9	12	-	-	-	-	-	-	-	-
Mr. Mohammad Hassan ³	12	13	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Delvin William Pereira ⁴	9	9	-	-	3	3	3	3	-	-	2	2	3	3
Mr. Mohamed Zaheer Mohamed Azreen ⁴	6	6	1	1	-	-	-	-	1	1	-	-	-	-

* - Mr. Aaron Russell-Davison and Mr. Omar Kassim resigned from the Board w.e.f. 31 January 2024 and 28 June 2024 respectively. Please refer profiles of Board of Directors from pages 10 to 19 for additional details.

1 - Chairman, Non-Executive, Non-Independent Director

2 - Non-Executive, Senior Independent Director

3 - Non-Executive, Non-Independent Director

4 - Non-Executive, Independent Director

5 - Managing Director/CEO

SEGREGATION OF DUTIES AND RESPONSIBILITIES

In keeping with global best practices, Amāna Bank has established a clear division of responsibilities at the leadership level to prevent conflicts of interest, and ensure no one individual has unfettered decision making powers, enabling both governance and management functions to be conducted with the highest standards of professionalism and integrity.

To this end, there is a clear separation of roles between Amāna Bank's Chairman and Managing Director/Chief Executive Officer (MD/CEO), ensuring that their respective responsibilities are distinct and effectively managed.

Moreover, given that Amāna Bank's Chairman - Mr. Ali Asghar Akbarally serves in the capacity of a Non-Executive, Non-Independent Director, the Bank has appointed a Senior Independent Director. Mr. Tishan Subasinghe, Non-Executive, Independent Director served as a Senior Independent Director from 1 February 2024 to 23 January 2025 following which Mr. Khairul Muzamel Perera Bin Abdullah, Non-Executive, Independent Director was designated as Senior Independent Director with effect from 23 January 2025.



CHAIRMAN

- ❖ Leading the Board in providing strategic oversight and direction
- ❖ Ensuring board effectiveness by promoting the active participation of all Board members and facilitating robust debate and dialogue at Board meetings
- ❖ Collaborating with the Company Secretary and MD/CEO to set the Board's annual work plan and agenda
- ❖ Upholding stakeholder trust and confidence
- ❖ Facilitating effective and regular communication with shareholders and ensuring their perspectives are communicated to the Board
- ❖ Ensuring a proper balance of power between Executive and Non-Executive Directors
- ❖ Overseeing the effectiveness and performance of the Board and its Sub-Committees



MANAGING DIRECTOR / CEO

- ❖ Preparing and recommending budgets aligned with the Bank's strategic goals for Board approval
- ❖ Monitoring the Bank's performance and ensuring compliance with regulatory and policy frameworks, with regular reporting to the Board
- ❖ Ensuring that the Bank operates within the risk appetite approved by the Board
- ❖ Establishing a well-structured and efficient organisational framework for the Bank
- ❖ Overseeing effective succession planning for the Executive Team and evaluating their performance
- ❖ Promoting a culture aligned with the Bank's core values



SENIOR INDEPENDENT DIRECTOR (SID)

- ❖ Act as a trusted intermediary, offering independent views for Non-Executive Directors.
- ❖ Address Board effectiveness issues by raising concerns with the Chairman or Board members.
- ❖ Support the Chairman and MD/ CEO on Board matters and Director interactions.
- ❖ Be available for confidential discussions with Directors on unresolved significant concerns.
- ❖ Serve as the primary contact for Director concerns about the Chairman -MD/CEO relationship.
- ❖ Meet Non-Executive, Independent Directors annually and discuss matters relating to the Bank and its Board.
- ❖ Meet Non-Executive Directors without the presence of the other Directors to discuss the Chairman's performance. .
- ❖ Attend shareholder meetings and stay informed about their concerns



COMPANY SECRETARY

- ❖ Guide the Board in fulfilling its duties and responsibilities effectively in line with best practices in Corporate Governance.
- ❖ Inform the Board about relevant legislative and regulatory changes.
- ❖ Ensure that Board and General Meetings are conducted in line with the Articles of Association, applicable statutes, and regulations.
- ❖ Maintain accurate and detailed minutes of Board meetings, which are reviewed by the Chairman, circulated to Board members, and approved at the subsequent meeting.
- ❖ Keep the official minute book accessible for inspection by any Director.
- ❖ Provide all Board members with full access to advice and services to ensure compliance with proper procedures, rules, and regulations.
- ❖ Facilitate Directors requests for independent professional advice, at the Bank's expense

BOARD SUB COMMITTEES

To assist in performing its oversight role, the Board has appointed several sub-committees to provide oversight in specific key areas. In keeping with good governance best practices, the Chairman of each Board sub-committee is required to present an update to the Board, outlining any significant matters discussed at their respective Board sub-committee meetings held since the previous Board meeting.

Meanwhile in compliance with the provisions of the CSE’s new listing rules on Corporate Governance issued in 2024, the Policy on Board Committees was approved by the Board to standardise the governance processes of all Board sub-committees, detailing their respective Terms of Reference (TOR), reporting obligations, and structural composition.

COMPANY SECRETARY

The Company Secretary of the Bank plays a crucial role in ensuring the effectiveness of the Board and its governance framework. As a trusted advisor to the Board, the Company Secretary is responsible for providing guidance on corporate governance practices, regulatory compliance, and Board procedures. Directors have unrestricted access to the Company Secretary.

DIRECTORS TRAINING

The Board believes that ongoing training is vital in promoting good governance. In an ever-evolving business environment, continuous training helps Directors to stay informed about emerging trends, regulatory developments, and technological advancements, enabling them to make informed, forward-looking decisions that contribute meaningfully to the Bank’s success.

For new Directors, a comprehensive induction process is critical to familiarise them with the Bank’s operations, culture, governance structure, and strategic priorities. The new Directors are provided with well- designed induction material with deeper insights about Amāna Bank and its operating context, goals, targets and the compliance framework. The Company Secretary facilitates training for Directors as needed or upon request and related costs of such initiatives are borne by the Bank.

Directors Training - 2024	
Programme	No. of Directors that Participated
Recent Regulatory Developments – Banking Act Directions 2024	09
Corporate Governance Regulations on CBSL and CSE – rules and responsibilities of the Board of Directors	11
Consultation paper on Proposed Revisions to the Banking Act Directions on Corporate Governance of Licensed Banks	09
Recent regulations and developments to the Corporate Governance Rules	11

BOARD AND BOARD SUB COMMITTEE EVALUATION

The effectiveness of the Board and its sub-committees is evaluated annually based on a comprehensive self-assessment furnished by all Directors, detailing their views on the Board's composition, balance, strategic focus, decision-making processes, and overall effectiveness. This evaluation not only highlights strengths but also identifies areas for improvement, fostering a culture of continuous development and accountability within the governance framework.

EVALUATING THE PERFORMANCE OF THE CEO

The performance of Amāna Bank’s Managing Director/CEO is evaluated annually as part of a structured process to measure the achievement of pre-agreed targets and objectives. The process is handled by the BHRRC with findings submitted to the Board for review and recommendation for appropriate amendments to the MD/CEO’s remuneration.

REPORT OF THE SENIOR INDEPENDENT DIRECTOR

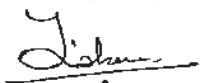
I wish to state that as the Senior Independent Director (SID) of Amāna Bank PLC, I have performed my duties and responsibilities in accordance with the Board approved Terms of Reference (TOR). I was present at Twelve Board meetings held during the year 2024 and wish to confirm that all Directors have demonstrated their capacity for strong, independent judgement and a greater degree of objectivity when deliberating Board decisions. I served in this position from 1 February 2024 to 23 January 2025.

Throughout the year, I also actively observed the work carried out by the Chairman of the Board and the Managing Director/Chief Executive Officer of the Bank, to ensure that there is a clear division of responsibility between the two.

Furthermore, to keep in line with the Corporate Governance Rules of the Colombo Stock Exchange I met with the Independent Non-Executive Directors during the year under review and discussed matters relating to the Bank and its Board. I met with the Non-Executive Directors without the presence of the other Directors to discuss the Chairman's performance questionnaire and the outcome of the results were discussed at a subsequent meeting held after the financial year. The outcome of these meetings was communicated to the Board members.

I attended all scheduled meetings with regulators during my tenure as SID, which have helped to further strengthen Amāna Bank's relationships with all regulatory authorities.

In conclusion, I wish to state that Amāna Bank is led by an effective and competent Board that remains committed to ensuring the interests of the Bank and its stakeholders to be the foremost priority.



Tishan Subasinghe

Senior Independent Director

20 February 2025

Mr. Khairul Muzamel Perera Bin Abdullah - Non-Executive, Independent Director has been designated as Senior Independent Director with effect from 23 January 2025.

Corporate Governance Report *Contd.*

Rule Number	Rule	Status of Compliance
3 (1)	The Responsibilities of the Board	
3 (1) (i)	The Board shall strengthen the safety and soundness of the Bank by ensuring the implementation of the following:-	
3 (1) (i) (a)	Approve and oversee the Bank's strategic objectives and corporate values and ensure that these are communicated throughout the Bank.	Complied. The Bank's strategic objectives and corporate values are integral components of the Board-approved Strategic Plan. The Annual Budget, aligned with this plan, has also received Board approval. To ensure alignment and accountability, the Management Committee regularly evaluates these strategic objectives and corporate values during their meetings. Each member of the Management Committee is responsible for disseminating this information throughout the organization, engaging all staff levels through consistent meetings, briefings, and discussions.
3 (1) (i) (b)	Approve the overall business strategy of the Bank, including the Risk Policy and Risk Management procedures and mechanisms with measurable goals, for at least for the next three years.	Complied. The Bank's overall Strategic Plan, prepared for the next four years from 2025 - 2028 which includes business strategy and measurable goals, was approved by the Board on 21 December 2024 subsequent to detailed deliberation. This also includes the financial projections. Board approved Risk Policy and the Integrated Risk Management (IRM) Framework includes risk management procedures, mechanism and measurable goals based on the Strategic Plan. These are monitored regularly and annually reviewed to dynamically and effectively manage the risk appetite of the Bank.
3 (1) (i) (c)	Identify the principal risks and ensure implementation of appropriate systems to manage the risks prudently.	Complied. Identifying the principal risks and reviewing the Integrated Risk Management Framework are carried out through the Board Integrated Risk Management Committee (BIRMC) annually. A stringent risk management process has been established and the detailed procedures have been covered in the respective risk management policies and appropriate strategies have been adopted according to Bank's risk appetite. The BIRMC uses a comprehensive dashboard to monitor the risk appetite prudently and reports to the Board through a well-structured Risk reporting system. BIRMC Chairman's report consisting of deliberations and minutes of the BIRMC are submitted to the Board periodically.
3 (1) (i) (d)	Approve implementation of a policy of communication with all stakeholders, including depositors, creditors, shareholders and borrowers.	Complied. A comprehensive communication policy was approved by the Board of Directors. This policy covers the communication to all stakeholders, depositors, creditors, shareholders and clients.

Rule Number	Rule	Status of Compliance
3 (1) (i) (e)	Review the adequacy and the integrity of the Bank's internal control systems and management information systems.	Complied. Board Audit Committee (BAC) reviews the adequacy and the integrity of the Bank's internal control system and management information system (MIS) on a regular basis. The adequacy and the integrity of the Bank's internal control system and MIS are determined by the Internal Audit Department regularly who submit a report to the BAC. The BAC and the Board have examined the report for 2024 and have expressed their satisfaction on the adequacy and integrity of the MIS.
3 (1) (i) (f)	Identify and designate Officers Performing Executive Functions of Licensed Commercial Banks (LCB) as referred to in the Banking Act Determination No. 01 of 2019 on Assessment of Fitness and Propriety of Chief Executive Officer and Officers Performing Executive Functions in Licensed Banks.	Complied. The Bank has identified and designated Key Management Personnel (KMP) as per the Banking Act Determination No. 01 of 2019. The MD/CEO, CFO, SVPs, VPs, Chief Compliance Officer, Head of Legal, Company Secretary, Chief Information Officer, Chief Internal Auditor and Chief Risk Officer have been identified as KMP as per the CBSL Guideline.
3 (1) (i) (g)	Define the areas of authority and key responsibilities for the Board Directors themselves and for Key Management Personnel.	Complied. Segregation of duties and authorities between the Board of Directors and KMPs is in place, where Directors are responsible for strategic decisions and the KMPs are responsible for carrying out the decisions. Article 31 of the Bank's Articles of Association, stipulates the authority and key responsibilities of the Board of Directors. Board approved functions and responsibilities of the MD/CEO are in place. Key responsibilities of the KMPs are defined in the individual job description which have been submitted to the Board Nomination and Governance Committee (BNAGC) and approved by the Board. Delegated authorities of the KMPs have been approved by the Board through the amendment to the Credit Risk Policy.
3 (1) (i) (h)	Ensure that there is appropriate oversight of the affairs of the Bank by Key Management Personnel that is consistent with Board's policy.	Complied. Board of Directors has oversight on the KMPs at Board and Board sub-committee meetings, where KMPs are called or present to make regular presentations to the Board on matters under their purview and explain matters relating to their concerns. All policies are reviewed and approved by the Board, thereby ensuring appropriate Board oversight.

Corporate Governance Report *Contd.*

Rule Number	Rule	Status of Compliance
3 (1) (i) (i)	Periodically assess the effectiveness of the Board of Directors' own governance practices, including	Complied.
	(i) the selection, nomination and election of Directors and Key Management Personnel:	The BNAGC is delegated with the functions of selection, nomination and election of Directors and KMPs in line with the approved Terms of Reference (TOR) of the BNAGC by the Board. Further, Article 28 of the Bank's Articles of Association stipulates the appointment of the Directors.
	(ii) the management of conflicts of interest and	Article 34 of the Bank's Articles of Association cover Directors' interests and a Directors' interest register is maintained by the Company Secretary. Furthermore, management of conflicts of interest is covered in the Board approved Policy of Related Party transactions.
	(iii) the determination of weaknesses and implementation of changes where necessary	The Bank has a self-evaluation process in place for the Board of Directors, which evaluates the Directors' own governance practices. The Company Secretary submits a summary of the self-evaluation to the Board for their review and action if necessary.
3 (1) (i) (j)	Ensure that the Board has an appropriate succession plan for Key Management Personnel.	Complied. The Succession Plan for Key Management Personnel received Board approval on 21 December 2024 and is currently in place.
3 (1) (i) (k)	Meet regularly, on a needs basis, with the Key Management Personnel to review policies, establish communication lines and monitor progress towards corporate objectives.	Complied. KMPs are called or present to make regular presentations to the Board or Board Sub-Committees relating to matters under their purview and bring up any concerns, thus, establishing communication and monitoring progress towards corporate objectives. All policies are reviewed and approved at the Board, thereby ensuring appropriate Board oversight.

Rule Number	Rule	Status of Compliance
3 (1) (i) (l)	Understand the regulatory environment and ensure that the Bank maintains an effective relationship with regulators.	Complied. The Company Secretary is statutorily responsible for communications with the Registrar of Companies and also furnishes the Board Orientation Pack which includes CBSL guidelines, Regulatory guidelines, determinations and rules of Corporate Governance to a new Director for his/her information, on being appointed to the Board. Annual High-level Awareness Conference for Boards of Directors and Senior Management of Licensed Banks, Licensed Finance Companies, Money or Value Transfer Service Providers and Primary Dealers in Sri Lanka”, conducted by Finance Intelligence Unit of Sri Lanka on 11 December 2024. The Chief Compliance Officer (CCO) submits AML/CFT Dashboard and quarterly Compliance reports to the Board through BIRMC that assists the Board to identify the regulatory environment and requirements. Furthermore, the CCO also updates the BIRMC and the Board with the latest regulatory changes on a quarterly basis. The Board ensures that effective relationships with the regulators are maintained by way of active participation at the meetings with the regulators by the MD/CEO and the Board members.
3 (1) (i) (m)	Exercise due diligence in the hiring and oversight of external auditors.	Complied. The Board has delegated this process for hiring and oversight of the External Auditors to the BAC as per the approved TOR of the BAC. Furthermore, Article 46 (4) of the Bank’s Articles of Association covers the appointment of the External Auditors who are appointed at the Annual General Meeting (AGM).
3 (1) (ii)	The Board shall appoint the Chairman and the Chief Executive Officer and define and approve the functions and responsibilities of the Chairman and the Chief Executive Officer in line with direction 3 (5) of these directions.	Complied. The functions and responsibilities of the Chairman and the Managing Director/Chief Executive Officer are appropriately defined and approved by the Board in line with Direction 3 (5). The positions of the Chairman and the Managing Director/Chief Executive Officer are separate.

Corporate Governance Report *Contd.*

Rule Number	Rule	Status of Compliance
	BOARD PROCEDURE	
3 (1) (iii)	The Board shall meet regularly and Board meetings shall be held at least twelve times a year at approximately monthly interval. Such regular Board meetings shall normally involve active participation in person of a majority of Directors entitled to be present. Obtaining the Board's consent through the circulation of written resolutions/papers shall be avoided as far as possible.	Complied. The Board ensures that it meets on a regular basis and has held thirteen (13) meetings during the year. There were eight (08) circular resolutions passed during the year which were subsequently ratified by the Board.
3 (1) (iv)	The Board shall ensure that arrangements are in place to enable all Directors to include matters and proposals in the agenda for regular Board meetings where such matters and proposals relate to the promotion of business and the management of risks of the Bank.	Complied. The Agenda, Minutes and Board Papers are forwarded to the Directors in line with Corporate Governance directions and Board approved procedures. Any Director may request the Company Secretary to include an agenda item that he/she may think is necessary to be discussed at the subsequent meeting relating to the promotion of business and the management of risks. The Company Secretary may include such matters in the agenda with the concurrence of the Chairman.
3 (1) (v)	The Board procedures shall ensure that notice of at least 7 days is given of a regular Board meeting to provide all Directors an opportunity to attend. For all other Board meetings, reasonable notice may be given.	Complied. The Notice of Board Meetings and Board Papers are circulated to the Directors at least 7 days prior to the meeting to provide them an opportunity to prepare and attend the meeting. However, all meetings of the Board and Board Sub Committees scheduled for the year are informed to the Directors before the commencement of the financial year.
3 (1) (vi)	The Board procedure shall ensure that a Director, who has not attended at least two-thirds of the meetings in the period of 12 months immediately preceding or has not attended the immediately preceding three consecutive meetings held, shall cease to be a Director. Participation at the Directors' meetings through an alternative Director shall, however, be acceptable as attendance.	Complied. The Board Meetings have been duly attended and the Directors have attended the required number of meetings during the year 2024 in accordance with the Corporate Governance code. The attendances of the Directors are set out in page 128 of the Annual Report.
3 (1) (vii)	The Board shall appoint a Company Secretary who satisfies the provisions of Section 43 of the Banking Act No 30 of 1988, whose primary responsibilities shall be to handle the secretarial services to the Board and shareholder meetings and to carry out other functions specified in the statutes and other regulations.	Complied. The Board has appointed a Company Secretary, a Member of The Chartered Governance Institute of UK who satisfies the provisions of Section 43 of the Banking Act No. 30 of 1988 (as amended) on 3 June 2024 subsequent to the resignation of the previous company secretary Miss. P S Watson.
3 (1) (viii)	All Directors shall have access to advice and services of the Company Secretary with a view to ensure that Board procedures and all applicable rules and regulations are followed.	Complied. All Directors have equal opportunity to access the Company Secretary's advice and services. A Board approved policy is in place in this regard.
3 (1) (ix)	The Company Secretary shall maintain the minutes of the Board meetings and such minutes shall be open for inspection at any reasonable time, on reasonable notice by any Director.	Complied. Comprehensive minutes of the Board meetings are maintained by the Company Secretary and there is a Board approved procedure that enables all Directors to have access to such minutes as per the Corporate Governance code.

Rule Number	Rule	Status of Compliance
3 (1) (x)	Minutes of Board meetings shall be recorded in sufficient detail so that it is possible to gather from the minutes, as to whether the Board acted with due care and prudence in performing its duties. The minutes shall also serve as a reference for regulatory and supervisory authorities to assess the depth of deliberations at the Board meetings. Therefore, the minutes of a Board meeting shall clearly contain or refer to the following; - A summary of data and information used by the Board in its deliberations. - The matters considered by the Board. - The fact-finding discussions and the issues of contention or dissent which may illustrate whether the Board was carrying out its duties with due care and prudence. - The testimonies and confirmations of relevant executives which indicate compliance with the Board's strategies and policies and adherence to relevant laws and regulations. - The Board's knowledge and understanding of the risks to which the Bank is exposed and an overview of the Risk Management measures adopted. - The decisions and Board resolutions.	Complied. Comprehensive Minutes of the Board meetings are recorded with sufficient details and maintained by the Company Secretary in order to enable the assessment made of the depth of the Board deliberation, decisions, matters considered by the Board and also on approval of resolutions. The Board minutes also captures the fact-finding discussions, compliance with Board's Strategies and Policies and adherence to relevant laws and regulations. The understandings of the risks to which the Bank is exposed and an overview of the Risk Management measures adopted are also captured in the Board minutes.
3 (1) (xi)	There shall be a procedure agreed by the Board to enable Directors, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Bank's expense. The Board shall resolve to provide separate independent professional advice to Directors to assist the relevant Director or Directors to discharge his/her/their duties to the bank.	Complied. A Board approved procedure is in place for Directors to obtain independent professional advice in appropriate circumstances, at the Bank's expense.
3 (1) (xii)	Directors shall avoid conflicts of interests, or the appearance of conflicts of interest in their activities with, and commitments to, other organisations or related parties. If a Director has a conflict of interest in a matter to be considered by the Board, which the Board has determined to be material, the matter should be dealt with at a Board meeting, where Independent Non-Executive Directors who have no material interest in the transaction, are present. Further, a Director shall abstain from voting on any Board resolution in relation to which he/she or any of his/her close relation or a concern, in which a Director has substantial interest, is interested and He/she shall not be counted in the quorum for the relevant agenda item at the Board meeting.	Complied. The Board approved Policy of Related Party Transactions includes provision to manage avoiding conflicts of interests, or the appearance of conflicts of interest, which is in accordance to the Corporate Governance Direction No. 05 of 2024. This procedure further evidences that the Director concerned is to abstain from voting and not participate in the discussion in a relationship / concern in which he has an interest. Furthermore, the Director disclosures of interest (if any) are tabled at Board meetings and a register is maintained by the Board Secretary to record such interests and recorded in the Board minutes.

Corporate Governance Report *Contd.*

Rule Number	Rule	Status of Compliance
3 (1) (xiii)	The Board shall have a formal schedule of matters specifically reserved to it for decision to ensure that the direction and control of the Bank is firmly under its authority.	Complied. The Board has a formal schedule of matters specifically reserved to the Board for its decision to ensure that the direction and control of the Bank is within the Board's authority.
3 (1) (xiv)	The Board shall, if it considers that the Bank is, or is likely to be, unable to meet its obligations or is about to become insolvent or is about to suspend payments due to depositors and other creditors, forthwith inform the Director of Bank Supervision of the situation of the Bank prior to taking any decision or action.	Complied. Such a situation has not arisen during the year 2024. The Board is aware of the requirement to inform the Director of Bank Supervision if such a situation arises at the Bank prior to taking any decision or action in this regard.
3 (1) (xv)	The Board shall ensure that the Bank is capitalised at levels as required by the Monetary Board in terms of the capital adequacy ratio and other prudential grounds.	Complied. The Bank complies with the regulatory and prudential requirements relating to the Capital Adequacy Ratio as specified by the Central Bank of Sri Lanka (CBSL). Furthermore, the Board monitors the Capital Adequacy Ratio and other prudential requirements on a monthly basis.
3 (1) (xvi)	The Board shall publish in the Bank's Annual Report, an annual corporate governance report setting out the compliance with Direction 3 of these Directions.	Complied. The Corporate Governance Report is published on pages 120 to 167 of the Annual Report.
3 (1) (xvii)	The Board shall adopt a scheme of self-assessment to be undertaken by each Director annually, and maintain records of such assessments.	Complied. The Board has a process of self-assessment of each Director which is performed by the Directors annually and is filed with the Company Secretary.
3 (2)	The Board's Composition	
3 (2) (i)	The number of Directors on the Board shall not be less than 7 and not more than 13.	Complied. The Board comprises of 11 Directors as at 31.12.2024 which is in line with the regulation.
3 (2) (ii)	The total period of service of a Director other than a Director who holds a position of a Chief Executive Officer shall not exceed nine years, and such period in office shall be inclusive of the total period of service served by such Director up to 1st January 2008.	Complied.
3 (2) (iii)	An employee of a Bank may be appointed, elected or nominated as a Director of the Bank (hereinafter referred to as an "Executive Director") provided that the number of Executive Directors shall not exceed one-third of the number of Directors of the Board. In such an event, one of the Executive Directors shall be the Chief Executive Officer of the Bank.	Complied.

Rule Number	Rule	Status of Compliance
3 (2) (iv)	The Board shall have at least three Independent Non-Executive Directors or one third of the total number of the Directors, whichever is higher. This sub-direction shall be applicable from 1st January 2010 onwards. A Non-Executive Director shall not be considered independent if he/she has; - directly and indirectly shareholdings of more than 1% of the Bank. - currently has or had during the period of two years immediately preceding his/her appointment as Director, any business transactions with the Bank as described in Direction 3 (7) hereof, exceeding 10% of the regulatory capital of the Bank. - has been employed by the Bank during the two-year period immediately preceding the appointment as Director. - has a close relation who is a Director or CEO or a member of Key Management Personnel or a material shareholder of the Bank or another bank. For this purpose, a "close relation" shall mean the spouse or a financially dependent child. - represents a specific stakeholder of the Bank. - is an employee or Director or a material shareholder in a company or business organisation: - which currently has a transaction with the Bank as defined in Direction 3(7) of these Directions, exceeding 10% of the regulatory capital of the Bank, or - in which any of the other Directors of the Bank are employed or are Directors or are material shareholder; or - in which any of the other Directors of the Bank have a transaction as defined in Direction 3 (7) of these Directions, exceeding 10% of the regulatory capital of the Bank.	Complied w.e.f. 20 July 2024. With the appointment of Mr. Mohamed Zaheer Mohamed Azreen, Independent Non - Executive Director, on 20 July 2024, this requirement was satisfied.
3 (2) (v)	In the event an Alternate Director is appointed to represent an Independent Director, the person so appointed shall also meet the criteria that apply to the Independent Director.	Complied. The Bank does not have any Alternate Directors appointed to the Board.
3 (2) (vi)	Non-Executive Directors shall be persons with credible track records and/or have necessary skills and experience to bring an independent judgment to bear on issues of strategy, performance and resources.	Complied. BNAGC has a formal documented procedure in place to appoint Non-Executive Directors to the Board, who must possess the necessary skills and experience to bring an independent judgment on Bank issues and all such Board appointments have been carried out accordingly. Further, Article 28 of the Articles of Association stipulates the rules for the appointment of Directors.

Corporate Governance Report *Contd.*

Rule Number	Rule	Status of Compliance
3 (2) (vii)	A meeting of the Board shall not be duly constituted, although the number of Directors required to constitute the quorum at such meeting is present, unless more than one half of the number of Directors present at such meeting are Non-Executive Directors.	Complied. The Board of the Bank comprises of Ten Non- Executive Directors out of the total of eleven Directors. Hence the quorum for Board meeting has been in line with the Direction.
3 (2) (viii)	The Independent Non-Executive Directors shall be expressly identified as such in all corporate communications that disclose the names of Directors of the Bank. The Bank shall disclose the composition of the Board, by category of Directors, including the names of the Chairman, Executive Directors, Non-Executive Directors and Independent Non-Executive Directors in the annual corporate governance report.	Complied. The compositions of the Board by category of Directors are disclosed on pages 10 to 19 and page 178 in the Annual Report.
3 (2) (ix)	There shall be a formal, considered and transparent procedure for the appointment of new Directors to the Board. There shall also be procedures in place for the orderly succession of appointment of the Board.	Complied. BNAGC has a formal documented procedure in place to appoint Directors to the Board, who are required to possess the necessary skills and experience to bring an independent judgment on Bank issues and all such new Board appointment have been carried out accordingly. Further, Article 28 of the Articles of Association stipulates rules for the appointment of Directors.
3 (2) (x)	All Directors appointed to fill a casual vacancy shall be subject to election by shareholders at the first general meeting after their appointment.	Complied. Article 29(13) of Bank's Articles of Association covers the appointment of Directors to fill a casual vacancy and all such appointments for the year are subject to election at the next AGM.
3 (2) (xi)	If a Director resigns or if removed from office, the Board shall: Announce the Director's resignation or removal and reasons for such removal or resignation including but not limited to information relating to the relevant Director's disagreement with the Bank, if any; and b) Issue a statement confirming whether or not there are any matters that need to be brought to the attention of shareholders.	Complied. Resignations or removal of Directors are communicated to the Regulators and announced to the Colombo Stock Exchange together with a statement confirming whether or not any matters should be brought to the attention of shareholders, including the reasons for such resignations or removal. All appointments and resignations of Directors has been duly informed and approved in accordance with above requirement.
3 (2) (xii)	A Director or an employee of a Bank shall not be appointed, elected or nominated as a Director of another bank except where such bank is a subsidiary company or an associate company of the first mentioned bank.	Complied. Such a situation has not arisen during the year 2024. None of the Directors of the Bank are the Directors of another Bank. The Bank has a process to identify whether a Director of a Bank is appointed, elected or nominated as a Director of another Bank based on the affidavit obtained and submitted to CBSL annually.

Rule Number	Rule	Status of Compliance
3 (3)	Criteria to Assess the Fitness and Propriety of Directors	
	In addition to provisions of Section 42 of the Banking Act No. 30 of 1988, the criteria set out below shall apply to determine the fitness and propriety of a person who serves or wishes to serve as a Director of a bank. Non-compliance with any one of the criteria as set out herein shall disqualify a person to be appointed, elected or nominated as a Director or to continue as a Director.	
3 (3) (i)	The age of a person who serves as a Director shall not exceed 70 years.	Complied.
3 (3) (ii)	A person shall not hold office as a Director of more than 20 companies/entities/institutions inclusive of subsidiaries or associate companies of the Bank.	Complied. None of the Directors holds Directorships of more than 20 companies/entities/institutions inclusive of subsidiaries or associate companies of the Bank, in the year under review.
3 (3) (iii)	A Director or a Chief Executive Officer of a licensed bank operating in Sri Lanka shall not be appointed as a Director or a Chief Executive Officer of another licensed bank operating in Sri Lanka before the expiry of a period of 6 months from the date of cessation of his/her office at the licensed bank in Sri Lanka. Any variation thereto in exceptional situations such as where expertise of retiring bankers may be required when reconstituting Boards of licensed banks which need restructuring, shall be subject to the prior approval of the Monetary Board. In this regard, licensed banks shall ensure to adhere to the requirement of the cooling-off period when appointing Directors or Chief Executive Officer. If a Director is appointed to the licensed bank by an appointing authority violating these Directions, the licensed bank shall take steps to prevent such appointee from exercising any powers or enjoying any privileges or benefits.	Complied. Such a situation has not arisen during the year 2024. None of the Directors of the Bank are Directors of another Bank. The Bank has a process to identify whether a Director of a Bank is appointed, elected or nominated as a Director of another Bank based on the affidavit obtained and submitted to CBSL annually.
3 (4)	Management Functions Delegated by the Board	
3 (4) (i)	The Directors shall carefully study and clearly understand the delegation arrangements in place.	Complied. Article 31 of the Articles of Association empowers the delegation powers of the Board of Directors. Further, all delegation arrangements are approved by the Board after due consideration and are periodically reviewed to ensure that the extent of delegation addresses the needs of the Bank.
3 (4) (ii)	The Board shall not delegate any matters to the Board Committee, CEO, Executive Directors or Key Management Personnel, to an extent that such delegation would significantly hinder or reduce the ability of the Board as a whole to discharge its functions.	Complied. The Board has not delegated powers to Board Committees, MD/CEO or Key Management Personnel, to an extent that such delegation would significantly hinder or reduce the ability of the Board as a whole to discharge its functions.
3 (4) (iii)	The Board shall review the delegation process in place on a periodic basis to ensure that they remain relevant to the needs of the Bank.	Complied. The Board periodically reviews and approves the delegation arrangements in place and ensures that the extent of delegation is in accordance to the needs of the Bank based on the recommendations made by the management.

Corporate Governance Report *Contd.*

Rule Number	Rule	Status of Compliance
3 (5)	The Chairman And The Chief Executive Officer	
3 (5) (i)	The roles of the Chairman and the Chief Executive Officer shall be separated and shall not be performed by the same individual.	Complied. The roles of the Chairman and the Managing Director/Chief Executive Officer are separate and are held by two individuals appointed by the Board. The chairman provides leadership to the Board and the Managing Director/Chief Executive Officer manages the day-to-day operations of the Bank giving effect to the strategies and policies approved by the Board.
3 (5) (ii)	The Chairman shall be a Non-Executive Director and preferably an independent Director as well. In the case where the Chairman is not an Independent Director, the Board shall designate an Independent Director as the Senior Director with suitably documented terms of reference to ensure a greater independent element. The designation of Senior Director shall be disclosed in the Bank's Annual Report.	The Chairman is a Non Independent/Non-Executive Director. Hence, the Board has designated an Independent Director, Mr. Tishan Subasinghe, as the Senior Independent Director with effect from 1 February 2024 in place of Mr. Dilshan Hettiaratchi who became Non-Independent/Non-Executive Director with effect from 1 February 2024. Designation of Senior Director is disclosed on page 13 of the Annual Report.
3 (5) (iii)	The Board shall disclose in its Corporate Governance report, which shall be an integral part of its Annual Report, the identity of the Chairman and the CEO and the nature of the relationship (including financial, business, family or other material/relevant relationship(s), if any, between the Chairman and the CEO and the relationships among members of the Board.	Complied. A process is in place to identify the relationship of the Board Members and is maintained at the Company Secretary's Division. Further, the Company Secretary obtains an annual declaration from all Board Members to this effect and the Directors' interest register is updated regularly. The relationships among the Directors are given below: Family relationship - Mr. Ali Asghar Akbarally – Chairman and Mr. Mohamed Adamaly Business Relationship - Mr. Ali Asghar Akbarally - Chairman and Mr. Dilshan Hettiaratchi – Non-Independent/Non-Executive Director are Directors of WindForce PLC with whom the Bank has a business relationship and on-going transactions.
3 (5) (iv)	The Chairman shall; - Provide leadership to the Board - Ensure that the Board works effectively and discharges its responsibilities; and - Ensure all key and appropriate issues are discussed by the Board in a timely manner.	Complied. A self-evaluation process is in place, which ensures that Chairman provides leadership to the Board, the Board works effectively and discharges its responsibilities and all key and appropriate issues are discussed by the Board in a timely manner.

Rule Number	Rule	Status of Compliance
3 (5) (v)	The Chairman shall be primarily responsible for drawing up and approving the agenda for each Board Meeting, taking into account where appropriate, any matters proposed by the other Directors for inclusion in the agenda. The Chairman may delegate the drawing up of the agenda to the Company Secretary.	Complied. The Chairman has delegated the drafting of the agenda to the Company Secretary, which is prepared in consultation / approval with the Chairman.
3 (5) (vi)	The Chairman shall ensure that all the Directors are properly briefed on issues arising at Board meetings and also ensure that Directors receive adequate information in a timely manner.	Complied. The Board papers are forwarded to the Board members 7 days prior to the meeting and the Chairman ensures that the Board is adequately briefed and informed of all matters arising at the Board. Further, minutes of the previous Board meeting are distributed to the Board members and tabled at the next Board meeting for confirmation.
3 (5) (vii)	The Chairman shall encourage all the Directors to make a full and active contribution to the Board's affairs and take the lead to ensure that the Board acts in the best interest of the Bank.	Complied. The Chairman encourages all Directors to make full and active contribution to the affairs of the Bank. This requirement is addressed in the self-evaluation process where all Directors disclose their full and active contribution to the affairs of the Bank based on their field of expertise.
3 (5) (viii)	The Chairman shall facilitate the effective contribution of Non-Executive Directors in particular and ensure constructive relations between Executive and Non-Executive Directors.	Complied. The Chairman ensures that the Non-Executive Directors actively contribute to make decisions at the Board. Further, the self-evaluation process is evident that the Non-Executive Directors assess the contributions made by them to the Bank.
3 (5) (ix)	The Chairman shall not engage in activities involving direct supervision of Key Management Personnel or any other executive duties whatsoever.	Complied. The Chairman is a Non-Executive Director and does not get directly involved in the supervision of KMPs or any other executive duties.
3 (5) (x)	The Chairman shall ensure that appropriate steps are taken to maintain effective communication with shareholders and that the views of shareholders are communicated to the Board.	Complied. The Chairman ensures effective communication with the shareholders at the AGM, which is the main forum where the Board discusses shareholders' issues.
3 (5) (xi)	The CEO shall function as the apex executive-in-charge of the day-to-day management of Bank's operations and business.	Complied. MD/CEO functions as the apex executive-in-charge of the day-to-day management of Bank's operations and business.

Corporate Governance Report *Contd.*

Rule Number	Rule	Status of Compliance
3 (6)	Board Appointed Committees	
3 (6) (i)	Each Bank shall have at least four Board committees as set out in the following Direction; 3(6)(ii) –Audit Committee 3(6)(iii) – Human Resources and Remuneration Committee 3(6)(iv) – Nomination Committee 3(6)(v) – Integrated Risk Management Committee Each Committee shall report directly to the Board Each Committee shall appoint a Secretary to arrange the meetings and maintain, minutes, records etc. under the supervision of the Chairman of the Committee. The Board shall present a report of the performance on each Committee, on their duties and roles at the Annual General meeting.	Complied. The Board has established the following mandatory Board Sub-Committees as per regulatory requirement: 1. Board Audit Committee (BAC) 2. Board Human Resources and Remuneration Committee (BHRRC) 3. Board Nomination and Governance Committee (BNAGC) 4. Board Integrated Risk Management Committee (BIRMC). In addition, the Board has also appointed Board Credit Committee (BCC), Board Related Party Transactions Review Committee (BRPTRC) and Capital Raising and Investment Committee. Briefings / Minutes of the above Board Sub Committees are tabled and discussed at the monthly Board meetings. Each Committee has appointed a Secretary to arrange the meetings and maintain minutes under the supervision of the Chairman of the Sub-Committees. Report of each Board Subcommittee is published in the Annual Report. Refer pages 183 to 195 of the Annual Report.
3 (6) (ii)	Audit Committee	
3 (6) (ii) (a)	The Chairman of the committee shall be an Independent Non-Executive Director who possesses qualifications and experience in accounting and/or audit.	Complied. The Chairman of the BAC is a non-executive, independent Director who is a Fellow of the Institute of Chartered Accountants of Sri Lanka and possesses the required qualifications and experience.
3 (6) (ii) (b)	All members of the committee shall be Non-Executive Directors.	Complied. All members of the BAC are Non-Executive Directors.

Rule Number	Rule	Status of Compliance
3 (6) (ii) (c)	The committee shall make recommendations on matters in connection with; a) The appointment of external auditor for audit services to be provided in compliance with the relevant statutes; b) The implementation of the Central Bank guidelines issued to auditors from time to time; c) The application of the relevant accounting standards; and d) The service period, audit fees and any resignation or dismissal of the auditor, provided that the engagement of the Audit partner shall not exceed five years, and that the particular Audit partner is not re-engaged for the audit before the expiry of three years from the date of the completion of the previous term.	Complied. The appointment of External Auditors for audit services is in compliance with the relevant statutes and as recommended by the BAC. The BAC has discussed the implementation of the CBSL guidelines issued to the External Auditors from time to time and any issues raised by the External Auditors in line with CBSL guidelines have been responded accordingly. BAC reviews, discusses and makes recommendations where necessary in relation to the application of the relevant accounting standards at least on a quarterly basis. Change in the Engagement Partner was last made during the year 2023 in consultation with the BAC. Further, all matters related to the service period of the Engagement Partner are discussed by the BAC and recommendations made where necessary. The BAC also reviews and makes recommendations to the Board with regard to the audit fees.
3 (6) (ii) (d)	The committee shall review and monitor the external auditor's independence and objectivity and the effectiveness of the audit processes in accordance with applicable standards and best practices.	Complied. The External Auditor's scope, objectivity and the effectiveness of the audit process carried out has been discussed by the BAC and is in accordance with the applicable SLAuS. The External Auditor's independence is evidenced through the Engagement Letter and their reports presented to the BAC directly.

Corporate Governance Report *Contd.*

Rule Number	Rule	Status of Compliance
3 (6) (ii) (e)	The committee shall develop and implement a policy on the engagement of an external auditor to provide non-audit services that are permitted under the relevant statutes, regulations, requirements and guidelines. In doing so, the committee shall ensure that the provision by an external auditor of non-audit services does not impair the external auditor's independence or objectivity. When assessing the external auditor's independence or objectivity in relation to the provision of non-audit services, the committee shall consider: (i) whether the skills and experience of the audit firm make it a suitable provider of the non-audit services; (ii) whether there are safeguards in place to ensure that there is no threat to the objectivity and/or independence in the conduct of the audit resulting from the provision of such services by the external auditor; and (iii) whether the nature of the non-audit services, the related fee levels and the fee levels individually and in aggregate relative to the audit firm, pose any threat to the objectivity and/or independence of the external auditor.	Complied. Further to the review conducted during the year, BAC recommended a revision to the policy on engagement of the External Auditors to provide non-audit services and the same was approved by the Board of Directors.
3 (6) (ii) (f)	The committee shall, before the audit commences, discuss and finalise with the external auditors the nature and scope of the audit, including: (i) an assessment of the Bank's compliance with the relevant Directions in relation to corporate governance and the management's internal controls over financial reporting; (ii) the preparation of financial statements for external purposes in accordance with relevant accounting principles and reporting obligations; and (iii) the co-ordination between firms where more than one audit firm is involved.	Complied. The BAC has discussed in detail and finalized the nature and scope of the audit with the External Auditors in accordance with the SLAuS on their presentation of the financial statement audit plan for the year ended 31 December 2024, outlining the scope and deliverables of their engagement.
3 (6) (ii) (g)	The committee shall review the financial information of the Bank, in order to monitor the integrity of the financial statements of the Bank, its annual report, accounts and quarterly reports prepared for disclosure and the significant financial reporting judgments contained therein. In reviewing the Bank's annual report and accounts and quarterly reports before submission to the Board, the committee shall focus particularly on; (i) Major judgemental areas (ii) Any changes in accounting policies and practices (iii) Significant adjustments arising from the audit (iv) The going concern assumption; and (v) The compliance with relevant accounting standards and other legal requirements.	Complied. The BAC has a process to review, discuss and approve the quarterly financial statements, year-end audited financial statements and reports for disclosure that are presented by the CFO. Such financial statements are recommended by the BAC for approval of the Board of Directors.

Rule Number	Rule	Status of Compliance
3 (6) (ii) (h)	The committee shall discuss issues, problems and reservations arising from the financial audit, and any matters the auditor may wish to discuss including those matters that may need to be discussed in the absence of the Key Management personnel, if necessary.	Complied. The Committee has met with the External Auditors twice during the year 2024, in the absence of the executive management to discuss issues, problems and reservation arising from the financial audit.
3 (6) (ii) (i)	The committee shall review the external auditor's management letter and the management's response thereto.	Complied. The Committee has reviewed the External Auditor's Management Letter and the management's response thereto.
3 (6) (ii) (j)	The committee shall take the following steps with regard to the internal audit function of the Bank;	Complied.
	(i) Review the adequacy of the scope, functions and resources of the internal audit department, and satisfy itself that the department has the necessary authority to carry out its work;	The BAC reviews and approves the Internal Audit Plan at the beginning of the year, which covers the scope and resource requirement relating to audit plan and satisfies itself that the Internal Audit Division (IAD) has the necessary authority and resources to carry out its work. The BAC also monitors the performance of the Internal Audit function and the progress made against the approved Internal Audit Plan.
	(ii) Review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit department;	Internal Audit Programmes are discussed by the BAC as part of the review of the Internal Audit Policy Manual. Further, Internal Audit Scope and Findings related to specific engagements are discussed by the BAC on an on-going basis. The Committee also monitors whether appropriate actions are taken by the management based on the IAD recommendations as well as on further actions which are sanctioned by the BAC.
	(iii) Review any appraisal or assessment of the performance of the head and senior staff member of the internal audit department;	The Performance appraisal of the Chief Internal Auditor and senior staff member were endorsed at the BAC meeting held on 16 January 2025.
	(iv) Recommend any appointment or termination of the head, senior staff members and outsourced service providers to the internal audit function;	Senior Manager - Internal Audit, submitted his resignation during the year. Upon notified of this resignation, BAC endorsed the assignment of another Manager in the Division to the particular role and as the identified successor to the CIA.
	(v) Ensure that the committee is appraised of resignations of senior staff members of the internal audit department including the Chief Internal Auditor and any outsourced service providers, and to provide an opportunity to the resigning senior staff members and outsourced services providers to submit reasons for resigning;	
	(vi) Ensure that the internal audit function is independent of the activities it audits and that it is performed with impartiality, proficiency and due professional care;	IAD is an independent function reporting directly to the BAC. The audits are performed with impartiality, proficiency and due professional care.

Corporate Governance Report *Contd.*

Rule Number	Rule	Status of Compliance
3 (6) (ii) (k)	The committee shall consider the major findings of internal investigation and management's responses thereto.	Complied. The BAC discusses in detail the major findings of internal investigation and management's responses thereto are also discussed, along with related action points that are agreed upon.
3 (6) (ii) (l)	The CFO, CIA and a representative of the External Auditors may normally attend meetings. Other Board members and the CEO may also attend meetings upon invitation of the committee. However, at least twice a year, the committee shall meet the External Auditors without the Executive Directors being present.	Complied. The CFO, CIA and a representative of the External Auditors attend meetings regularly. The CEO and other Senior Management personnel have attended meetings by invitation as appropriate. The BAC met the External Auditors twice during the year 2024 in the absence of the Executive Director and all members of the Executive Management.
3 (6) (ii) (m)	The committee shall have (i) Explicit authority to investigate into any matter within its terms of reference; (ii) The resources which it needs to do so; (iii) Full access to information; and (iv) Authority to obtain external professional advice and invite outsiders with relevant experience and attend, if necessary.	Complied. The Board approved Terms of Reference of the BAC covers the requirements as stipulated.
3 (6) (ii) (n)	The committee shall meet regularly, with due notice of issues to be discussed and shall record its conclusions in discharging its duties and responsibilities.	Complied. The BAC has had seven meetings in the year 2024 and all conclusions are recorded comprehensively in the minutes.
3 (6) (ii) (o)	The Board shall disclose in an informative way, (i) Details of the activities of the audit committee; (ii) The number of audit committee meetings held in the year; and (iii) Details of attendance of each individual Director at such meetings.	Complied. The Board has disclosed the required information in pages 183 to 186 in the Annual Report.
3 (6) (ii) (p)	The Secretary of the Committee (who may be the Company Secretary or the head of Internal Audit function) shall record and keep detailed minutes of the meetings.	Complied. The Chief Internal Auditor has been appointed as the Secretary to the BAC who maintains detailed minutes of all meetings.
3 (6) (ii) (q)	The committee shall review arrangements by which employees of the bank may, in confidence raise concerns about possible improprieties in financial reporting, internal control or other matters. Accordingly, the committee shall ensure that proper arrangements are in place for the fair and independent investigation of such matters and for appropriate follow-up action and to act as the key representative body for overseeing the bank's relations with the external auditor.	Complied. The Board approved 'Whistle Blowing' policy is in place which covers the improprieties in financial reporting, internal control or other matters, fair and independent investigation of such matter and appropriate follow-up action. The BAC is the key representative body for overseeing the Bank's relations with the External Auditors.

Rule Number	Rule	Status of Compliance						
3 (6) (iii)	Human Resource and Remuneration Committee							
3 (6) (iii) (a)	The committee shall determine the remuneration policy (salaries, allowances and other financial payments) relating to Directors, CEO and Key Management Personnel of the Bank.	Complied. The Board approved benefit policy determines the remuneration relating to Directors, CEO and Key Management Personnel of the Bank.						
3 (6) (iii) (b)	The committee shall set goals and targets for the Directors, CEO and Key Management Personnel.	Complied. The BHRRC has discussed and approved the goals and targets of each KMP for the year 2024 aligned to the Strategic Plan. The BHRRC has agreed that the 2024 Business Plan be considered as the KPI for the CEO. Board approved goals and targets for Directors are in place.						
3 (6) (iii) (c)	The committee shall evaluate the performance of the CEO and Key Management Personnel against the set targets and goals periodically and determine the basis for revising remuneration, benefits and other payments of performance-based incentives.	Complied. The BHRRC has assessed the evaluation of the performance of the CEO and the KMPs against the goals and targets set out for the year 2024.						
3 (6) (iii) (d)	The CEO shall be present at all meetings of the committee, except when matters relating to the CEO are being discussed.	Complied. The CEO was not present at meetings when matters relating to the CEO were being discussed. The Board approved Terms of Reference of the BHRRC addresses this rule.						
3 (6) (iv)	Nomination and Governance Committee							
3 (6) (iv) (a)	The committee shall implement a procedure to select/appoint new Director, CEO and Key Management Personnel.	Complied. A policy is in place for the selection and appointment of candidates to the Board, CEO and Key Management Personnel. The Board has approved the following appointments of Directors on the recommendation of the BNAGC during 2024. <table><tr><td>Directors</td><td>Approved on</td></tr><tr><td>Mr. Mohamed Zaheer Mohamed Azreen</td><td>22.07.2024</td></tr><tr><td>Mr. Delvin William Pereira</td><td>01.04.2024</td></tr></table>	Directors	Approved on	Mr. Mohamed Zaheer Mohamed Azreen	22.07.2024	Mr. Delvin William Pereira	01.04.2024
Directors	Approved on							
Mr. Mohamed Zaheer Mohamed Azreen	22.07.2024							
Mr. Delvin William Pereira	01.04.2024							
3 (6) (iv) (b)	The committee shall consider and recommend (or not recommend) the re-election of current Directors, taking into account the performance and contribution made by the Director concerned towards the overall discharge of the Board's responsibilities.	Complied. The Committee has considered the services rendered by the existing Directors and recommended their appointment accordingly for the year 2024.						
3 (6) (iv) (c)	The committee shall set criteria such as qualifications, experience and key attributes required for eligibility to be considered for appointment or promotion to the post of CEO and the key management positions.	Complied. A Board approved eligibility criteria for appointment or promotion to the post of CEO and KMPs are in place. All such appointments are recommended by the BNAGC and subsequently approved by the Board.						

Corporate Governance Report *Contd.*

Rule Number	Rule	Status of Compliance
3 (6) (iv) (d)	The committee shall ensure that Directors, CEO and Key Management Personnel are fit and proper persons to hold office as specified in the criteria given in Direction 3 (3) and as set out in the Statutes.	Complied. The Directors', MD/CEO's and Key Management Personnel's affidavits and declarations were submitted to BNAGC during the year 2024 for recommendation prior to submitting to the Central Bank of Sri Lanka for approval to ensure that the Directors, MD/CEO and Key Management Personnel are fit and proper persons to hold office. Further, fit and proper certificates have been submitted and cleared by Central Bank of Sri Lanka, as and when required.
3 (6) (iv) (e)	The committee shall consider and recommend from time to time, the requirement of additional/new expertise and the succession arrangements for retiring Directors and Key Management Personnel.	Complied. Policy & Procedure approved by the Board is in place for the appointment of new Directors. BNAGC has considered the requirements for succession arrangements for Directors and KMPs during the year 2024. The Succession Plan for the Management Committee has been reviewed and recommended by the BNAGC and subsequently approved by the Board.
3 (6) (iv) (f)	The committee shall be chaired by an Independent Director and preferably be constituted with a majority of Independent Directors.	Complied. The Committee is Chaired by an Independent Director and comprises of three Independent Directors and two Non-Independent Directors.
	The CEO may be present at the meeting by invitation.	The MD/CEO is present at meetings only by invitation.
3 (6) (v)	Integrated Risk Management Committee	
3 (6) (v) (a)	The committee shall consist of at least three Non-Executive Directors, CEO and Key Management Personnel supervising Board risk categories, i.e., credit, market, liquidity, operational and strategic risks.	Complied. The BIRMC consists of 4 Non-Executive Directors, MD/CEO and CRO who satisfy the said criteria.
	The committee shall work with Key Management Personnel very closely and make decisions on behalf of the Board within the framework of the authority and responsibility assigned to the committee.	Further, Key Management Personnel are called or present to make regular presentations to the Committee on matters under their purview and explain matters relating to their subject.

Rule Number	Rule	Status of Compliance
3 (6) (v) (b)	The committee shall assess all risks, i.e., credit, market, liquidity, operational and strategic risks to the Bank on a monthly basis through appropriate risk indicators and management information.	Complied. BIRMC assesses the risk profile of the Bank through the use of dashboards which are circulated on a monthly basis. This dashboard which covers the below mentioned risks are shared with BIRMC members: ❖ Credit Risk ❖ Market Risk ❖ Liquidity Risk ❖ Operational Risk ❖ Rate Risk ❖ Concentration Risk ❖ Strategic Risk
	In the case of subsidiary companies and associate companies, Risk Management shall be done, both on a bank basis and group basis.	Not applicable as the Bank do not have any subsidiaries or associate companies.
3 (6) (v) (c)	The committee shall review the adequacy and effectiveness of all management level committees, such as the credit committee and asset-liability committee to address specific risks and to manage those risks within quantitative and qualitative risk limits as specified by the committee.	Complied. The BIRMC reviews the adequacy and effectiveness of the management committees under its purview. ERM, ALCO, ECC1 and ITSC The committee ensures that the Executive Risk Management Committee, Asset & Liability Management Committee, Executive Credit Committee and Information Technology and Security Committee under BIRMC are functioning adequately and effectively. Further, the key functions of the committees are evaluated and reviewed through the IRMF by the BIRMC annually.
3 (6) (v) (d)	The committee shall take prompt corrective action to mitigate the effects of specific risks in the case such risks are at levels beyond the prudent levels decided by the committee on the basis of the Bank's policies and regulatory and supervisory requirements.	Complied. Risks are monitored and reviewed by the BIRMC through the dashboard on the risk tolerance/appetite and considered all risk indicators which are negative to the prudent limits decided by the committee on the basis of the Bank's policies, regulatory and supervisory requirements and corrective actions are taken promptly for any deviations to mitigate the effects.

Corporate Governance Report *Contd.*

Rule Number	Rule	Status of Compliance
3 (6) (v) (e)	The committee shall meet at least quarterly to assess all aspects of Risk Management including updated business continuity plans.	Complied. The Committee has met four times during the year 2024 and reviewed all aspect of risk Management. Detailed updates on the major risks such as Credit Risk, Market Risk, Liquidity Risk, Operational Risk and Cyber Security incidents were reviewed. The Business Continuity Plan that was adopted during the crisis has been strengthened and tested during the BCP drill conducted in year 2024. The Bank has for the first time conducted the DR drill for a continuous period of 7 days (including weekend Banking) The Recovery Plan (RCP) as required by the CBSL has been strengthen to enable the Bank to recover from any stress and shock to ensure financial and operational stability.
3 (6) (v) (f)	The committee shall take appropriate action against the officers responsible for failure to identify specific risks and take prompt corrective actions as recommended by the committee, and/or as directed by the Director of Bank Supervision.	Complied. The Bank's specific risks and the limits are identified by the relevant committees, and decisions are taken collectively. Amongst its other processes, the Bank has a mechanism through which risk tools such as Stress Testing, KRI, RCSA are used to measure and identify risks proactively. These tools have been used effectively and have now been incorporated as key components for the performance evaluation of the Senior Management thereby strengthening the process of accountability.
3 (6) (v) (g)	The committee shall submit a risk assessment report within a week of each meeting to the Board seeking the Board's views, concurrence and/or specific directions.	Complied. The BIRMC Chairman's report contains a Risk assessment, which is submitted at the subsequent Board meeting informing the BIRMC's deliberations and decisions and seeking the Board's views, concurrence and/or for specific directions.
3 (6) (v) (h)	The committee shall establish a compliance function to assess the Bank's compliance with laws, regulations, regulatory guidelines, internal controls and approved policies on all areas of business operations. A dedicated Compliance Officer selected from Key Management Personnel shall carry out the compliance function and report to the committee periodically.	Complied. An independent compliance function has been established, headed by a dedicated Compliance Officer to assess and ensure the Bank's compliance with laws, regulations and regulatory guidelines and reports to the BIRMC regularly through a comprehensive quarterly compliance status report. The Compliance function performs monthly / quarterly independent verification and testing for compliance with CBSL requirements. The Compliance function also assesses the Bank's internal controls and policies on all areas of business operations. Reviews of the same are presented by Chief Compliance Officer and reviewed by the committee on a regular basis.

Rule Number	Rule	Status of Compliance
3 (7)	Related Party Transactions	
3 (7) (i)	The Bank shall take necessary steps to avoid any conflicts of interest that may arise from any transaction of the Bank with any person, and particularly with the following categories of persons who shall be considered as “related parties” for the purpose of this Direction; a) Any of the Bank’s subsidiary companies; b) Any of the Bank’s associate companies; c) Any of the Directors of the Bank; d) Any of the Bank’s Key Management Personnel; e) A close relation of any of the Bank’s Directors or Key Management Personnel; f) A shareholder owning a material interest in the Bank. g) A concern in which any of the Bank’s Directors or a close relation of any of the Bank’s Directors or any of its material shareholders has a substantial interest.	Complied. The Board takes necessary steps in line with the Banking Act, Corporate Governance Direction and the Bank’s Policy on Related Party Transactions to avoid any conflicts of interest that may arise from any transaction of the Bank with its related parties. A Board approved Policy on Related Party Transactions is in place which manages the conflict of interest that may arise from any transactions of the Bank. The Board Related Party Transaction Review Committee meets quarterly to identify and review such transactions.
3 (7) (ii)	The type of transactions with related parties that shall be covered by this Direction shall include the following: a) The grant of any type of accommodation, as defined in the Monetary Board’s Directions a maximum amount of accommodation. b) The creation of any liabilities of the Bank in the form of deposits, borrowings and investments. c) The provision of any services of a financial or non-financial nature provided to the Bank or received from the Bank. d) The creation or maintenance of reporting lines and information flows between the Bank and any related parties which may lead to the sharing of potentially proprietary, confidential or otherwise sensitive information that may give benefits to such related parties.	Complied. The Board approved Policy on Related Party Transactions covers types of specific related parties and related party transactions as noted in the Direction to avoid any conflicts of interest that may arise from any related party transactions.

Corporate Governance Report *Contd.*

Rule Number	Rule	Status of Compliance
3 (7) (iii)	The Board shall ensure that the Bank does not engage in transactions with related parties as defined in Direction 3 (7) (i) above, in a manner that would grant such parties 'more favourable treatment' than that accorded to other constituents of the Bank carrying on the same business. In this context, 'more favourable treatment' shall mean and include treatment, including the; - Granting of "total net accommodation" to related parties, exceeding a prudent percentage of the Bank's regulatory capital, as determined by the Board. For purposes of this sub-direction; "Accommodation" shall mean accommodation as defined in the Banking Act Directions, No 7 of 2007 on Maximum Amount of Accommodation. - The "total net accommodation" shall be computed by deducting from the total accommodation, the cash collateral and investments made by such related parties in the Bank's share capital and debt instruments with a maturity of 5 years or more. - Charging a lower rate than the Bank's best lending rate or paying more than the Bank's deposit rate for a comparable transaction with an unrelated comparable counterparty. - Providing of preferential treatment, such as favourable terms, covering trade losses and/or waiving fees/commissions that extend beyond the terms granted in the normal course of business undertaken with unrelated parties. - Providing services to or receiving services from a related-party without an evaluation procedure. - Maintaining reporting lines and information flows that may lead to sharing potentially proprietary, confidential or otherwise sensitive information with related parties, except as required for the performance of legitimate duties and functions.	Complied. Please refer comment in 3 (7) (i) and 3 (7) (ii) above. The formal policy approved by the Board on Related Party Transactions enhances transparency and contains provisions of this rule to ensure compliance. Further, to strengthen the corporate governance of the Bank, the Board Related Party Transactions Review Committee reviews the related party transactions in line with the policy to avoid any 'favourable treatment' granted to such parties.
3 (7) (iv)	The Bank shall not grant any accommodation to any of the Directors or to a close relation of such Director unless such accommodation is sanctioned at a meeting of its Board of Directors, with not less than two-thirds of the number of Directors other than the Director concerned, voting in favour of such accommodation. This accommodation shall be secured by such security as may from time to time be determined by the Monetary Board as well.	Complied. Any accommodation granted to related party is approved at the Board meetings with not less than 2/3 of the number of Directors other than the Directors concerned, voting for such accommodation granted as per the Board approved Policy on Related Party Transactions.

Rule Number	Rule	Status of Compliance
3 (7) (v)	a) Where any accommodation has been granted by a bank to a person or a close relation of a person or to any concern in which the person has a substantial interest, and such person is subsequently appointed as a Director of the Bank, steps shall be taken by the Bank to obtain the necessary security as may be approved for that purpose by the Monetary Board, within one year from the date of appointment of the person as a Director. b) Where such security is not provided by the period as provided in Direction 3(7)(v)(a) above, the Bank shall take steps to recover any amount due on account of any accommodation, together with interest, if any within the period specified at the time of the grant of accommodation or at the expiry of a period of eighteen months from the date of appointment of such Director, whichever is earlier. c) Any Director who fails to comply with the above sub-directions shall be deemed to have vacated the office of a Director and the Bank shall disclose such fact to the public. d) The sub-direction, however, shall not apply to a Director who at the time of grant of the accommodation was an employee of the Bank and the accommodation was granted under a scheme applicable to all employees of the Bank.	Complied. The Bank did not encounter such a situation during the year under review.
3 (7) (vi)	The Bank shall not grant any accommodation or 'more favourable treatment' relating to the waiver of fees and/or commissions to any employee or a close relation of such employee or to any concern in which the employee or close relation has a substantial interest other than on the basis of a scheme applicable to the employees of the Bank or when secured by security as may be approved by the Monetary Board in respect of accommodation granted as per Direction 3(7)(v) above.	Complied. The Bank has a process in the RPT system to capture KMPs transactions, as and when such transactions take place. Additionally, such transactions are verified by the relevant authorities (Finance Division). No accommodation was granted to any employees or to any concern in which the employee or close relation has a substantial interest on more 'favourable treatment' other than on the basis of a scheme applicable to the employees of the Bank or when secured by security as may be approved by the Monetary Board in respect of accommodation granted as per Direction 3(7) (v) above.
3 (7) (vii)	No accommodation granted by the Bank under Direction 3(7)(v) and 3(7)(vi) above, nor any part of such accommodation, nor any interest due thereon shall be remitted without the prior approval of the Monetary Board and any remission without such approval shall be void and of no effect.	Complied. The Bank did not encounter such a situation during the year under review.

Corporate Governance Report *Contd.*

Rule Number	Rule	Status of Compliance																		
3 (8)	Disclosure																			
3 (8) (i)	The Board shall ensure that; a) Annual audited statements and quarterly financial statements are prepared and published in accordance with the formats prescribed by the supervisory and regulatory authorities and applicable accounting standards and that b) Such statements are published in the newspapers in an abridged form, in Sinhala, Tamil and English.	Complied. Annual audited financial statements and quarterly financial statements are prepared and published in accordance with the regulatory requirements and as per the accounting standards. Financial statements are published in all three languages.																		
3 (8) (ii)	The Board shall ensure that the following minimum disclosures are made in the Annual Report; a) A statement to the effect that the annual audited financial statements have been prepared in line with applicable accounting standards and regulatory requirements, inclusive of specific disclosures. b) A report by the Board on the Bank's internal control mechanism that confirms that the financial reporting system has been designed to provide reasonable assurance regarding the reliability of financial reporting, and that the preparation of financial statements for external purposes has been done in accordance with relevant accounting principles and regulatory requirements. c) To obtain the External Auditor's certification on the effectiveness of the internal control mechanism referred to in Direction 3(8)(ii)(b) above. d) Details of Directors, including names, qualifications, age, experience fulfilling the requirements of the guidelines fitness and propriety, transactions with the Bank and the total of fees/remuneration paid by the Bank.	Complied. Refer Statement of Directors' Responsibility, on pages 196 and 197. Refer Directors' Statement on Internal Control over Financial Reporting on pages 171 and 172. <table> <tr> <th>Transactions with the Bank:</th><th>2024 LKR</th><th>2023 LKR</th></tr> <tr> <td>(a) Financing and Receivables</td><td>205,123,252</td><td>17,156,415</td></tr> <tr> <td>(b) Financing Income</td><td>866,530</td><td>986,465</td></tr> <tr> <td>(c) Deposits</td><td>286,401,613</td><td>142,043,475</td></tr> <tr> <td>(d) Financing Expenses</td><td>18,744,636</td><td>8,631,163</td></tr> <tr> <td>(e) Commitment and Contingencies:</td><td>45,251,000</td><td>NIL</td></tr> </table> Refer 'Independent Assurance Report on Directors' Statement on Internal Control over Financial Reporting' on pages 173 and 174. Refer Profiles of Directors, on pages 10 to 19. Total fees/remuneration paid by the Bank: Refer Note 13 to the Financial Statements on page 262.	Transactions with the Bank:	2024 LKR	2023 LKR	(a) Financing and Receivables	205,123,252	17,156,415	(b) Financing Income	866,530	986,465	(c) Deposits	286,401,613	142,043,475	(d) Financing Expenses	18,744,636	8,631,163	(e) Commitment and Contingencies:	45,251,000	NIL
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(e) Commitment and Contingencies:	45,251,000	NIL																		

Rule Number	Rule	Status of Compliance																		
3 (8) (ii) (Contd.)	e) Total net accommodation as defined in 3(7)(iii) granted to each category of related parties. The net accommodation granted to each category of related parties shall also be disclosed as a percentage of the Bank's regulatory capital.	<table> <tr> <th>Category of Related Parties</th><th>Total Net Accommodation (LKR)</th><th>% of Regulatory Capital</th></tr> <tr> <td>Directors of the Bank</td><td>205,123,252</td><td>0.86%</td></tr> <tr> <td>KMPs</td><td>155,652,784</td><td>0.65%</td></tr> <tr> <td>A concern in which any of the Bank's Directors or a close relation of any of the Bank's Directors or any of its material shareholders has a substantial interest</td><td>NIL</td><td>NIL</td></tr> <tr> <td>A close relation of any of the Bank's Directors or Key Management Personnel</td><td>NIL</td><td>NIL</td></tr> <tr> <td>Material Shareholder</td><td>NIL</td><td>NIL</td></tr> </table>	Category of Related Parties	Total Net Accommodation (LKR)	% of Regulatory Capital	Directors of the Bank	205,123,252	0.86%	KMPs	155,652,784	0.65%	A concern in which any of the Bank's Directors or a close relation of any of the Bank's Directors or any of its material shareholders has a substantial interest	NIL	NIL	A close relation of any of the Bank's Directors or Key Management Personnel	NIL	NIL	Material Shareholder	NIL	NIL
Category of Related Parties	Total Net Accommodation (LKR)	% of Regulatory Capital																		
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A close relation of any of the Bank's Directors or Key Management Personnel	NIL	NIL																		
Material Shareholder	NIL	NIL																		
f)	The aggregate values of remuneration paid by the Bank to its Key Management Personnel and the aggregate values of the transactions of the Bank with its Key Management Personnel, set out by Board categories such remuneration paid, accommodation granted and deposits or investments made in the Bank.	Nature of Transaction KMPs (LKR) Remuneration: 368,204,862 Accommodation granted: 360,776,036 Deposits: 511,640,322 The above includes remuneration paid to Executive, Non-Executive Directors as well as other KMPs.																		
g)	To obtain the External Auditor's certification of the compliance with these Corporate Governance Directions.	The Bank has obtained External Auditor's certification on compliance with these Corporate Governance Directions. Board confirms that all the findings of the 'Factual Findings Report' of auditors have been incorporated in the Corporate Governance Report.																		
h)	A report setting out details of the compliance with prudential requirements, regulations, laws and internal controls and measures taken to rectify any material non-compliance.	Refer Bank's Compliance with Prudential Requirements, on pages 168 to 170.																		
i)	A statement of the regulatory and supervisory concerns on lapses in the Bank's risk management, or non-compliance with these Directions that have been pointed out by the Director of Bank Supervision, if so directed by the Monetary Board to be disclosed to the public, together with the measures taken by the Bank to address such concerns.	The Director of Bank Supervision or the Monetary Board has not directed the Bank to disclose any non-compliance issues to the public.																		

Corporate Governance Report *Contd.*

THE LEVEL OF COMPLIANCE IN TERMS OF CORPORATE GOVERNANCE RULES SET OUT IN SECTION 9 OF THE LISTING RULES OF COLOMBO STOCK EXCHANGE.

Rule No.	Rule	Status of Compliance
9.2	Policies	
9.2.1	Availability of policies, disclosure of their existence, and implementation details on the website.	Compliant.
9.2.2	Waivers/exemptions from internal code must be fully disclosed in the Annual Report.	None.
9.2.3	Disclosure of Policy list (with website) and policy changes in their Annual Report.	Compliant. Changes are not applicable.
9.2.4	Provide all policies to shareholders upon written request.	Compliant.
9.3	Board Committees	
9.3.1	Establishment of Nominations and Governance Committee, Remuneration Committee, Audit Committee, and Related Party Transactions Review Committee that are functioning effectively.	Compliant.
9.3.2	Rules regarding the board committees' composition, responsibilities, and disclosures.	Compliant.
9.3.3	The Chairperson of the Board cannot be the Chairperson of these committees.	Compliant.
9.4	Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders	
9.4.1	Maintain resolution records with voting details for resolutions, proxy votes, and votes abstained.	Compliant. Implemented from the General Meeting of 2024.
9.4.2	Policy for shareholder communication, disclose it in the Annual Report, on their website, and provide a contact person. This policy must detail how directors are informed of shareholder concerns and compliance of virtual meetings with guidelines.	Compliant. Policy effective from Annual Reports for the year ended 31 December 2024.
9.5	Policy on matters relating to the Board of Directors	
9.5.1	Availability of a formal policy for the Board, balancing executive/non-executive, covering roles and appraisals.	Compliant.
	Where a Listed Entity decides to combine the role of the Chairperson and CEO,	
	The rationale for combining such positions.	Not Applicable.
	The Board Charter of a Listed Entity must detail the SID's roles and equivalent powers in conflicts.	SID is appointed in terms of the Corporate Governance requirement of Central Bank of Sri Lanka (CBSL).
	Measures implemented to safeguard the interests of the SID.	Compliant.
	Board diversity for effectiveness via objective selection.	Compliant. A female Director is yet to be appointed.
	Maximum number of Directors with the rationale.	Compliant. Covered in the Articles of Association.

Rule No.	Rule	Status of Compliance
9.5.1	Frequency of Board meetings, having regard to the requirements under the Listing Rules.	Complied in terms of CBSL rules.
	Board policy ensures awareness on the Listing Rules, meeting attendance, trading rules on securities, directorship limits, and virtual participation for quorum are included.	Compliant.
9.5.2	Availability of policy requirements in the Annual Report and explanations for non-compliance.	Compliant.
9.6	Chairperson and CEO	
9.6.1	Chairperson must be a Non-Executive Director, separate from the CEO role.	Compliant.
9.6.2	Disclosure of non-compliances.	Not Applicable.
9.6.3	Appointment of an Independent Director as SID if Chairperson/CEO is the same, or the Chairperson is executive, or they are related.	Not Applicable. SID has been appointed to the Board in terms of the Corporate Governance Direction of CBSL.
	Independent Directors must meet yearly (or more) with SID to discuss concerns relating to entity/Board.	Compliant.
	The SID must annually chair a Non-Executive Director meeting (without the Chairperson) to appraise the Chairperson's performance.	Compliant.
	The SID gets a casting vote in meetings.	Not Applicable (such a situation did not arise during the meeting).
	A signed disclosure of the SID in the Annual Report.	Compliant.
9.6.4	Disclosure of non-compliances in the Annual Report.	Not Applicable.
9.7	Fitness of Directors and CEOs	
9.7.1	Listed Entities must ensure that their Directors and the CEO are fit and proper.	Compliant.
9.7.2	The Directors and CEO recommended by the Nominations and Governance Committee as Directors are fit and proper persons before placed before shareholders meeting or appointments are made.	Compliant.
9.7.3	Fit and Proper Assessment Criteria: A Director or the CEO of a Listed Entity shall not be considered 'fit and proper' if they lack honesty, integrity, and reputation, competence and capability and financial soundness based on specified criteria.	Compliant. Requirements relating to 9.7.3(a) are covered up to a certain extent in the affidavit in terms of CBSL requirements. However, SEC requirements are not included. IRCSL rules are not applicable.
9.7.4	Obtain annual declarations from Directors/CEO confirming Fit and Proper Assessment Criteria.	Compliant.

Corporate Governance Report *Contd.*

Rule No.	Rule	Status of Compliance
9.7.5	Disclosures in the Annual Report of Listed Entities	
	Listed Entities must include specific disclosures/reports in the Annual Report regarding Fit and Proper Assessment Criteria.	Compliant.
9.8	Board Composition	
9.8.1	The Board of Directors of a Listed Entity shall, at a minimum, consist of five (05) Directors.	Compliant.
9.8.2	Board of Directors to include at least two Independent Directors or such number equivalent to one third of the total number of directors and any changes to this ratio to be rectified within ninety days.	Compliant. Changes are not applicable.
9.8.3	Criteria to consider whether a Director is independent include factors related to employment history, business relationships, family connections, shareholding, and tenure.	Compliant. The Bank consisted of 4 Independent Non-Executive Directors as at 31 December 2024 and there are no Directors above the age of 70 years.
9.8.5	Availability of an annual signed declaration of independence from each Independent Director, make an annual determination, and immediately announce if impaired.	Compliant.
9.9	Alternate Directors	
	Requirements for Alternate Directors, who can only be appointed in exceptional circumstances for a maximum of one year. Appointees must meet specific criteria, especially concerning independence, and their appointment requires a Market Announcement and their attendance counts in quorum.	Alternate Directors are not appointed to the Board. Articles were amended to give effect to the additional provisions at the Extraordinary General Meeting (EGM) held immediately after the Annual General Meeting (AGM) on 28 March 2024.
9.10	Disclosures relating to Directors	
9.10.1	Policy on the maximum number of directorships.	Compliant.
9.10.2	Immediate Market Announcement upon appointing a new Director, including their resume and capacity.	Compliant.
9.10.3	Immediate Market Announcement regarding changes to Board Committees.	Compliant.

Rule No.	Rule	Status of Compliance
9.10.4	Disclosures in the Annual Report related to the Listed Entity's Directors.	Compliant.
	(a) name, qualifications and brief profile;	Please refer pages 10 to 19 and page 122 of the Annual Report
	(b) the nature of his/her expertise in relevant functional areas;	
	(c) whether either the Director or Close Family Members has any material business relationships with other Directors of the Listed Entity;	Please refer pages 175 to 181 of the Annual Report.
	(d) whether Executive, Non-Executive and/or independent Director;	Please refer pages 10 to 19 and pages 175 to 181 of the Annual Report.
	(e) total number of directorships and or KMP positions with names of companies and their listed/unlisted status, executive/non-executive capacity;	
	(f) number of Board meetings attended during the year;	Please refer page 128 of the Annual Report.
	(g) names of Board Committees in which the Director serves as Chairperson or a member;	Please refer pages 10 to 19 of the Annual Report.
	(h) attendance of Committee meetings;	Please refer to the Board Subcommittee reports found on pages 183 to 195.
	(i) the terms of reference and powers of SID	Please refer pages 129 and 131 .
9.11	NOMINATIONS AND GOVERNANCE COMMITTEE	
9.11.1	Availability of a Nominations and Governance Committee.	Compliant.
9.11.2	Maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee.	Compliant.
9.11.3	The Nominations and Governance Committee shall have a written terms of reference defining scope, authority, duties and quorum.	Compliant.
9.11.4	Composition	
	Composition of the Nominations and Governance Committee must have at least three directors, with a minimum of two Independent Directors, and no Executive Directors. An Independent Director must be appointed as the Chairperson.	Compliant. The Committee consist of 5 Non-Executive Directors majority of whom are Independent.

Corporate Governance Report *Contd.*

Rule No.	Rule	Status of Compliance
9.11.5	Functions	
	The functions of the Nominations and Governance Committee to include evaluating and recommending director appointments, establishing selection criteria and reviewing corporate governance.	Compliant. A policy for selection and appointment of new members to the Board is in place.
9.11.6	Disclosures in Annual Report	
	The Annual Report contains a report of the Nominations and Governance Committee signed by its Chairperson and shall contain the following:	Compliant.
	Committee's chair/members' names and directorships, their appointment dates, confirmation of a nomination policy, re-election details, and a diversity disclosure and implementation details.	
	Details of re-elected/proposed directors' Committee roles, appointment dates, other directorships/ commitments, and relevant relationships.	Compliant. Please refer Board Nomination and Governance Committee Report (BNAGC) on pages 191 to 193 in the Annual Report.
	Disclosure relating to the performance evaluation of the Board and the CEO.	Compliant.
	Process adopted to inform major issues of the entity to the Independent Directors.	The Board subcommittee meetings are avenues adopted to inform the Independent Directors of any major issues.
9.11.6	Availability of Induction programs for new directors.	
	Annual Update given to the existing directors on Corporate Governance, listing Rules and relevant regulations.	A documented process is adopted for Induction programmes for newly appointed Directors where the Corporate profile, the applicable regulations, Financial reports and applicable policies on Corporate Governance etc. are shared with such Directors.
	Criteria for determining directors' independence and corporate governance compliance or explain non-compliance.	Compliant. The Compliance Division presents regular updates on the changes to the applicable laws and regulations and the Chief Information Officer updates on Information Security.
		Compliant.

Rule No.	Rule	Status of Compliance
9.12	REMUNERATION COMMITTEE	
9.12.2	Listed Entities must have a Remuneration Committee, which develops executive pay policy and sets director remuneration without self-fixing. Non-executive pay should be non-discriminatory. The committee needs written terms of reference.	Compliant.
9.12.6	Composition	
	The Remuneration Committee needs at least three Directors, two Independent, no Executives, and an Independent Chairperson.	Compliant.
	If both parent and subsidiary are listed, the parent's Remuneration Committee can act for the subsidiary.	Not Applicable.
9.12.7	Functions	
	The Remuneration Committee recommends Executive/CEO pay to the Board for final determination and can use external consultants.	Compliant.
9.12.8	Disclosure in Annual Report	
	The Annual Report must disclose the Remuneration Committee's names, policy, and aggregate director pay.	Compliant. Disclosed in Board Human Resources and Remuneration Committee (BHRRC) report as part of the Annual Report.
9.13	AUDIT COMMITTEE	
9.13.1	If no separate risk committee exists, the Audit Committee also performs risk functions.	Apart from the Board Audit Committee (BAC), the Bank has a separate Risk Committee namely the Board Integrated Risk Management Committee (BIRMC). Disclosed in Annual Report.
9.13.2	The Audit Committee shall have a written terms of reference clearly defining its scope, authority and duties.	Compliant. Board Approved Terms of Reference (TOR) for the BAC is in place. Disclosed in the BAC Report, as part of the Annual Report.
9.13.3	Composition	
	The Audit Committee must have at least three directors, with a minimum of two or a majority being independent, and no executive directors. An independent director must be the chairperson.	Compliant. Disclosed in BAC Report.
	The CEO shall attend risk committee meeting by invitation.	BIRMC has been established as per the Corporate Governance Direction of CBSL, which requires the CEO to be a member of the Committee. Disclosed in BIRMC Report in the Annual Report.

Corporate Governance Report *Contd.*

Rule No.	Rule	Status of Compliance
9.13.4	Functions	
(1)	The functions of the Audit Committee shall include the following:	
(i)	The Audit Committee will oversee the Entity's compliance with reporting requirements.	Compliant. Addressed in BAC TOR and disclosed in the BAC report.
	The Audit Committee reviews financial statements before Board approval and recommends the appointment, re-appointment, and removal of external auditors, including their remuneration and terms of engagement.	Compliant. Addressed in BAC TOR.
(iv)	Obtain and review assurance received from:	
(a)	The Audit Committee gets CEO/CFO assurance: records kept, true and fair view given on operations.	Addressed in BAC TOR and disclosed in the BAC report.
(b)	The Audit Committee gets CEO/key management assurance: risk and controls are adequate and effective.	MD/CEO is a permanent invitee of the BIRMC and KMP are present to make regular presentations to the Committee on matters under their purview. The BIRMC is recommending to the Board, the Bank's Risk Management Framework, defining the risk appetite to measure, monitor and manage the principal risks. The management level committees under the purview of BIRMC are chaired by MD/CEO and the confirmed minutes of the same are forwarded to BIRMC. Similarly the BAC receives assurance from the management with regard to the design and implementation of the internal controls over financial reporting and from the CIA on the adequacy and effectiveness of the internal controls including internal controls over financial reporting to the extent of audit coverage in line with the BAC approved Internal Audit plan.
(v)	Review the internal controls in place to prevent the leakage of material information to unauthorized persons.	Compliant. Addressed in BAC TOR. BAC reviews and approves the internal audit plan covering assignments related to assessing internal controls in place to prevent leakage of material information to unauthorized persons and also receives and reviews the Internal Audit Reports conducted on the subject matter. This is in addition to reviewing any related finding and recommendations in the Management Letter of the External Auditors.

Rule No.	Rule	Status of Compliance
(vi)	The Audit Committee oversees adequate internal controls and risk management for SLAS.	Addressed in BAC TOR and disclosed in the BAC report.
(vii)	The Audit Committee reviews and assesses the company's risk management process and controls and updated business continuity plans.	Compliant. Integrated Risk Management Framework (IRMF) which is reviewed annually includes risk management procedures, mechanism and measurable goals based on the Strategic Plan. BIRMC assesses the risk profile of the Bank through the use of dashboards which is circulated on a monthly basis. The Business Continuity Plan that was adopted during the crisis has been strengthened and tested during the annual BCP drills and the same is reviewed by the BIRMC.
(viii)	Review the risk policies adopted by the Entity on an annual basis.	Compliant. IRMF which outlines the key risk management policies such as Credit Risk Policy, Operational Risk policy and Middle Office Policy (Market Risk & Liquidity Risk) is reviewed by the BIRMC and approved by the Board annually.
(ix)	The committee must promptly act to mitigate excessive risks based on policies and regulations.	Compliant. The Bank's specific risks and the limits are identified by the relevant committees reporting to BIRMC and decisions are taken collectively. Risk management tools that are in place have been used effectively.
(x)	Review the scope and results of the internal and external audit and its effectiveness, and the independence, performance and objectivity of the auditors.	Compliant. Disclosed in BAC Report.
(xi)	The Audit Committee must create a non-audit services policy considering ethics, report issues to the Board, and recommend actions.	Compliant. Required policy approved by the Board in place. Relevant aspects addressed in the BAC TOR.
	If the Audit Committee suggests an auditor change due to opinion issues, they must explain why; unresolved breaches should be reported to the Exchange.	Compliant. Addressed in BAC TOR.
(2)	If Audit and Risk Committees are separate, their duties must include functions stipulated in Rule 9.13.4 (1) above.	Compliant. Addressed in the BAC and BIRMC TORs as applicable.

Corporate Governance Report *Contd.*

Rule No.	Rule	Status of Compliance
9.13.5	Disclosures in Annual Report	
(1)	The Annual Report must include an Audit Committee Report with member names and directorships.	Compliant. Disclosed in BAC Report.
(b)	The status of risk management and internal control of the Listed Entity and as a Group (where applicable).	Compliant. Disclosed in BIRMC report and Risk Management Report in the Annual Report. Aspects related to internal controls Disclosed in BAC Report.
	The Audit Committee Report must confirm CEO/CFD assurance, give an opinion on compliance, state if a charter exists, detail internal audit work, show effective discharge of duties, confirm auditor independence, the basis, engagement length, and non-audit safeguards.	Compliant. Disclosed in BAC Report.
9.14	RELATED PARTY TRANSACTIONS REVIEW COMMITTEE	
9.14.1	Availability of a Related Party Transactions Review Committee.	Compliant.
9.14.2	Composition	
	The Related Party Transactions Review Committee needs at least three directors, two independent directors, with an independent chair.	Compliant.
	Parent company's Related Party Committee can serve as subsidiary's committee if both are listed.	Not Applicable.
9.14.3	Functions	
	To review transactions of related parties and protect shareholder interests. Must have a clear RPT identification, clarification, and reporting policy.	Compliant.
9.14.4	General Requirements	
	The RPT Committee must meet quarterly, document minutes, have expertise, and interested directors cannot participate or vote.	Compliant.
	The RPT Committee can request/obtain Board approval before entering related party transactions.	The need has not arisen during the year under review.
9.14.5	Review of Related Party Transactions	
	The RPT Committee must review proposed Related Party Transactions in advance, including material changes, with full facts and circumstances.	Compliant.

Rule No.	Rule	Status of Compliance
9.14.6	Shareholder Approval	
	Shareholder approval via a special resolution is required for significant Related Party Transactions exceeding certain asset or revenue thresholds.	The need has not arisen during the year under review.
9.14.7	Disclosures	
	Immediate Market Announcements are required for non-recurrent RPTs exceeding 10% Equity/5% Total Assets or when aggregate reaches that threshold. Subsequent >5% Equity transactions with the same party also need announcement.	Such a situation did not arise during the year under review.
9.14.8	Disclosures in the Annual Report	
	Annual Report must disclose non-recurrent RPTs over 10% Equity/5% Assets and aggregate value of recurrent RPTs over 10% Revenue in a table.	Such a situation did not arise during the year under review.
	The Annual Report must contain the RPT Committee's report with members' details, review statement, and transaction policies.	Compliant. Refer BRPTRC report on pages 194 to 195 of the Annual Report.
	The Board must affirm RPT rule compliance or state no such transactions have been entered, in the Annual Report.	Compliant. Refer page 180 of the Annual Report.
9.14.9	Acquisition and Disposal of Assets from/to Related Parties	
	Shareholder approval by special resolution is needed for substantial asset transactions with related parties, with some exemptions.	The need has not arisen.
9.16	ADDITIONAL DISCLOSURES	
	The Board must declare material interests, review internal controls, be aware of laws, and disclose material non-compliance in the Annual Report.	Compliant. Non-Compliances were not applicable.

BANK'S COMPLIANCE WITH PRUDENTIAL REQUIREMENTS

The Compliance Division serves as a cornerstone of the Bank's unwavering commitment to integrity, functioning as an autonomous entity to ensure and enhance compliance across all operational dimensions. Central to this mission is the Division's service centred compliance framework, which embodies our Target Operating Model for Compliance Management.

To safeguard the Bank from regulatory sanctions, reputational risks, financial losses, and penalties, the dynamic "EDAV" Capacity Model (Enforced, Directed, Assisted, and Voluntary) has been employed. This model strategically addresses critical domains, including Governance, Legal and Regulatory Compliance, Monitoring and Reporting, and Awareness Creation. By integrating these principles, it establishes a comprehensive and resilient framework that fosters operational excellence, instills a culture of accountability, and ensures unwavering adherence to compliance standards across the organization.

Aligned with the Banking Act Direction No. 11 of 2007 whilst further reinforcing our stance in accordance with the latest Banking Act Direction No.05 of 2024 on Corporate Governance for Licensed Commercial Banks (LCBs) and the governance requirements of the Listing Rules introduced by the Colombo Stock Exchange, the Bank has solidified its governance structure by establishing a dedicated Compliance Division. At its helm is the Chief Compliance Officer (CCO), a Key Management Personnel (KMP), who provides direct oversight and reports through the Board Integrated Risk Management Committee (BIRMC) to the Board, solidifying the Bank's unwavering commitment to compliance and ethical excellence.

The Compliance Division's responsibilities include facilitating day-to-day challenges in the interpretation and understanding of

regulations; applying proactive initiatives to highlight common industry-wide compliance concerns; ensuring that operations and administration of activities are in compliance with banking laws and regulations; creating a Compliance culture based on honesty and integrity standards.

The key responsibilities of the Compliance Division are:

- ❖ Collaboration with the Branches and other Divisions in Managing Compliance Risk.
- ❖ Recommendation of measures to mitigate Compliance Risk and corrective actions in the event of non-compliance.
- ❖ Dissemination of information to relevant stakeholders regarding regulatory requirements/changes and guidelines.
- ❖ Consistently assess the Bank's compliance with laws, regulations, statutory guidelines and ensure internal controls, policies and operational procedures are aligned with the regulatory requirements.
- ❖ Ensuring compliance with the Financial Transactions Reporting Act - this includes monitoring and reporting suspicious transactions.
- ❖ Periodic reporting to BIRMC.

In order to comply with the Bank's policies and procedures, the Compliance Division additionally ensures efficient compliance management throughout the organisation with the backing and cooperation of Senior Management and the Managing Director/CEO.

In order to monitor and evaluate the level of compliance, the Division regularly interacts with the executive management and the Management Committee. This is done by obtaining confirmations from management and if required, by commencing corrective action.

COMPLIANCE GLOBAL CULTURE

By facilitating an enhanced compliance culture from the top to bottom and throughout the entire Bank, the Compliance Division aims to uphold an exemplary control and compliance culture that emphasises standards of honesty, integrity, and sustainability of the Bank. In the meantime, regular training and awareness programmes are conducted for all staff members to guarantee that they are fully informed about the Bank's compliance standards, policies, and practices.

During induction, all newly recruited staff are briefed on the Bank's compliance procedures. The Compliance Division actively promotes a culture of compliance and serves as a strategic partner to all business units.

REGULATORY INTERACTION AND COORDINATION

Amāna Bank, as a Licensed Commercial Bank, operates under the primary regulatory oversight of the Central Bank of Sri Lanka (CBSL). Additionally, as a publicly listed entity on the Colombo Stock Exchange (CSE), it is subject to the governance and compliance requirements of both the CSE and the Securities and Exchange Commission of Sri Lanka (SEC). The Compliance Division's proactive engagement with regulatory authorities, along with its systematic monitoring of regulatory developments, has facilitated the bank's prompt adherence to all directives, guidelines and regulations including those introduced in 2024.

POLICY FRAMEWORK

The Board-approved Compliance Policy of the Bank includes a detailed description of its compliance policies and procedures. The Policy describes, among other factors, how to identify risks, who is responsible for what matters, how the system is organised, how reporting performs, and how to mitigate

risks. The Board reviews the Policy on a regular basis and updates it as required. Bank's Compliance Policy outlines the general compliance guidelines that the Bank has adopted and defines bank-wide compliance risk management.

The Bank-wide Anti-Money Laundering and Countering of Terrorist Financing (AML/CFT) measures and practices have been comprehensively captured in the Board-approved Anti Money Laundering Policy. This policy illustrates the responsible parties, system organization, reporting requirements, preventive measures, risk mitigation among many other best practices. The Policy is regularly reviewed and updated according to the regulatory developments and organizational requirements.

The organizational Anti-Bribery and Corruption is monitored and addressed through the Anti-Bribery Corruption Policy. This Board-approved policy has been structurally developed to extend its applicability beyond employees and Directors to encompass third parties and authorised representatives of the Bank, including but not limited to agents, advisors, representatives, suppliers, contractors, and subcontractors. The policy establishes a zero-tolerance approach to bribery and corruption, clearly delineating prohibited behaviours such as offering or accepting bribes, facilitating payments, and engaging in corrupt practices.

In formulating this policy, significant consideration was given to integrating recommendations and enhancements proposed by Transparency International Sri Lanka, a prominent global authority in anti-corruption advocacy. The Bank has given special consideration to the below notable recommendations which are currently being implemented:

- i. Establishing a Whistleblower mechanism that ensures confidentiality and protection for individuals reporting corrupt activities.
- ii. Requiring mandatory due diligence for third parties and business partners to assess corruption risks.
- iii. Implementing comprehensive anti-corruption training programmes for all employees, including Directors and key decision-makers.
- iv. Mandating periodic internal reviews to identify and mitigate potential vulnerabilities to bribery and corruption.
- v. Enforcing strict record-keeping protocols to ensure financial transparency and accountability.

The finalised policy has been made accessible to all staff via the Bank's Intranet portal to ensure transparency, promote compliance across all levels of the organization, and reinforce the Bank's unwavering commitment to ethical conduct and integrity in all its operations.

RISK ASSESSMENT PROGRAMMES

A thorough set of Compliance Risk Models was created for Branches, Departments, and the Bank as a whole, in order to strengthen the validity of the current risk assessment methodology and improve the alignment between the compliance review programme and the risk assessment programme. To ascertain the risk profiles of the Bank's departments, branches, and products and services, compliance risk assessments are conducted all year long.

COMPLIANCE MONITORING AND TESTING

The Compliance Division continuously monitors the strategies for compliance that the Board has approved, and it also keeps track of compliance throughout the year by

submitting quarterly reports to the Board on statutory and regulatory requirements.

In 2024, the Bank prioritised strengthening its corporate governance practices, ensuring full compliance with the enhanced frameworks and standards introduced by CBSL and CSE. Special focus was directed towards refining overall policy frameworks to ensure compliance with evolving regulatory standards and industry best practices. Furthermore, the Bank actively reviewed and optimised its Directorial and sub-committee compositions, fostering greater accountability, independence, and expertise within its governance structure. These initiatives reflect the Bank's unwavering commitment to maintaining regulatory excellence and fostering transparency across its operations.

Concurrently, the Bank continued to place importance on strengthening the monitoring systems by aligning its operations with the latest advancements in AML guidelines. This included continued in-depth transaction monitoring to identify and mitigate potential risks whilst strengthening the enhanced due diligence practices to ensure thorough scrutiny of high-risk transactions and entities. These measures underscore the Bank's commitment to upholding the highest standards of compliance and safeguarding the integrity of its financial operations.

COMPLIANCE TRAINING

Anti-Money-Laundering (AML) was the main highlight in terms of training for 2024, with a focus on capacity building for frontline staff. At Branch level, one on one training sessions were held to emphasise and educate staff members on the significance of regulatory changes and requirements.

Bank's Compliance with Prudential Requirements *Contd.*

A Conference on the theme "Strengthening Governance: Enhancing Accountability of FI BOD/KMP for Effective Compliance against ML/TF/PF" conducted by Finance Intelligence Unit of Sri Lanka was arranged for Directors and Key Management Persons on 11 December 2024. The Chief Compliance Officer conducted periodic training sessions (three, annually) for the Board of Directors, covering recent regulations and developments, including those related to anti-bribery and corruption. Such programmes are essential for keeping the Directors updated on the latest developments in money laundering, terrorist financing, and other key elements of the AML/CFT framework that may lead to bribery and corruption in the financial services industry.

LEADS

All statutory and regulatory compliance requirements for 2024 were satisfied as a result of successful initiatives. In addition, the Compliance Division's perseverance produced outcomes that would safeguard stakeholders both now and in the future by ensuring that a high standard of compliance is maintained throughout the Bank.

FUTURE FOCUS

The Compliance Division's primary aim is to further enhance and streamline the Bank's regulatory and AML/CFT framework while ensuring full compliance with the laws and regulations of CSE and SEC.

Under this comprehensive framework, the Compliance Division's focus for the years 2025 and 2026 will center on achieving technical compliance, primarily with the preventive requirements of the recommendations introduced by the Financial Action Task Force (FATF). This will be achieved by diligently adhering

to the prioritised action plan mandated by the Regulator and ensuring the Bank demonstrates measurable progress towards preventing money laundering, terrorist financing, and other illicit financial activities. Furthermore, The Division will proactively monitor the Bank's readiness for the third country wide Mutual Evaluation conducted by the FATF in coordination with the Asia Pacific Group on Money Laundering (APG) scheduled to take place in the latter part of 2025. The Compliance Division will systematically implement the necessary measures which will contribute towards ensuring absolute preparedness in this regard.

In addition, the Division is committed to the Bank's aim of maintaining full compliance with anti-bribery and corruption laws whilst supporting the robust Bank-wide anti-corruption programme alongside complete adherence to all regulatory requirements in relation to corporate governance.

The Division remains steadfast in its commitment to fostering a culture of integrity, transparency, and accountability, thereby reinforcing the Bank's position as a compliant and ethical banking institution in the financial sector.

DIRECTORS' STATEMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

RESPONSIBILITY

In line with the Banking Act Direction No. 11 of 2007, Section 3 (8) (ii) (b) the Board of Directors present this report on Internal Control over Financial Reporting.

The Board of Directors ("Board") is responsible for the adequacy and effectiveness of the internal control mechanism in place at Amāna Bank PLC, ("the Bank"). In considering such adequacy and effectiveness, the Board recognises that the business of banking requires reward to be balanced with risk on a managed basis and as such the internal control systems are primarily designed with a view to highlighting any deviations from the limits and indicators which comprise the risk appetite of the Bank. In this light, the system of internal controls can only provide reasonable, but not absolute assurance, against material misstatement of financial information and records or against financial losses or fraud.

The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Bank and this process includes enhancing the system of internal control over financial reporting as and when there are changes to the business environment or regulatory guidelines. The process is regularly reviewed by the Board and accords with the Guidance for Directors of Banks on the Directors' Statement on Internal Control issued by the Institute of Chartered Accountants of Sri Lanka. The Board has assessed the internal control over financial reporting taking into account principles for the assessment of internal control system as given in that guidance.

The Board is of the view that the system of internal controls over financial reporting in place is sound and adequate to provide

reasonable assurance regarding the reliability of financial reporting, and that the preparation of financial statements for external purposes is in accordance with relevant accounting principles and regulatory requirements.

The Management assists the Board in the implementation of the Board's policies and procedures on risk and control by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.

Key Features of the Process Adopted in Applying in Reviewing the Design and Effectiveness of the Internal Control System over Financial Reporting

The key processes that have been established in reviewing the adequacy and integrity of the system of internal controls with respect to financial reporting include the following:

- ❖ Various Committees are established by the Board to assist the Board in ensuring the effectiveness of the Bank's daily operations and that the Bank's operations are in accordance with the corporate objectives, strategies and the annual budget as well as the policies and business directions that have been approved.
- ❖ The Internal Audit Division of the Bank checks for compliance with policies and procedures and the effectiveness of the internal control systems on an ongoing basis using samples and rotational procedures and highlight significant findings in respect of any non-compliance. Audits are carried out on all units and branches, the frequency of which is determined by the level of risk

assessed, to provide an independent and objective report. The annual Audit Plan is reviewed and approved by the Board Audit Committee. Findings of the Internal Audit Division are submitted to the Board Audit Committee for review at their periodic meetings.

- ❖ The Board Audit Committee of the Bank reviews internal control issues identified by the Internal Audit Division, the External Auditors, regulatory authorities and the Management: and evaluates the adequacy and effectiveness of the risk management and internal control systems. They also review the internal audit functions with particular emphasis on the scope of audits and quality of the same. The minutes of the Board Audit Committee meetings are forwarded to the Board on a periodic basis. Further details of the activities undertaken by the Board Audit Committee of the Bank are set out in the Board Audit Committee Report on pages 183 to 186.
- ❖ In assessing the internal control system over financial reporting, identified officers of the Bank collated all procedures and controls that are connected with significant accounts and disclosures of the financial statements of the Bank. These in turn were observed and checked by the Internal Audit Division for suitability of design and effectiveness on an ongoing basis.
- ❖ The comments made by the External Auditors in connection with internal control system over financial reporting in previous years were reviewed during the year and appropriate steps have been taken to rectify them.

Directors' Statement on Internal Control over Financial Reporting *Contd.*

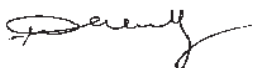
CONFIRMATION

Based on the above processes, the Board confirms that the financial reporting system of the Bank has been designed to provide a reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes and has been done in accordance with Sri Lanka Accounting Standards and regulatory requirements of the Central Bank of Sri Lanka.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

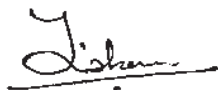
The External Auditors, Messrs Ernst & Young, have reviewed the above Directors Statement on Internal Control over Financial Reporting included in the Annual Report of the Bank for the year ended 31 December 2024 and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in the review of the design and effectiveness of the internal control over financial reporting of the Bank. Their Report on the Statement of Internal Control over Financial Reporting is given on pages 173 and 174 of this Annual Report.

By Order of the Board,



Ali Asghar Akbarally

Chairman – Board of Directors



Tishan Subasinghe

Chairman – Board Audit Committee

20 February 2025
Colombo

INDEPENDENT ASSURANCE REPORT ON DIRECTORS' STATEMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING



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INDEPENDENT ASSURANCE REPORT

TO THE BOARD OF DIRECTORS OF AMANA BANK PLC

Report on the Directors' Statement on Internal Control over Financial Reporting

We were engaged by the Board of Directors of Amana Bank PLC ("the Bank") to provide assurance on the Directors' Statement on Internal Control over Financial Reporting ("the Statement") included in pages 171 and 172 of the Annual Report for the year ended 31 December 2024.

Management's Responsibility

Management is responsible for the preparation and presentation of the Statement in accordance with the "Guidance for Directors of Banks on the Directors' Statement on Internal Control" issued in compliance with section 3 (8) (ii) (b) of the Banking Act Direction No. 11 of 2007, by the Institute of Chartered Accountants of Sri Lanka.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka, which is founded on fundamental

principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Sri Lanka Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibilities and Compliance with SLSAE 3050 (Revised)

Our responsibility is to assess whether the Statement is both supported by the documentation prepared by or for directors and appropriately reflects the process the directors have adopted in reviewing the design and effectiveness of the internal control of the Bank.

We conducted our engagement in accordance with Sri Lanka Standard on Assurance Engagements (SLSAE) 3050 (Revised), Assurance Report for Banks on Directors' Statement on Internal Control, issued by the institute of Chartered Accountants of Sri Lanka.

This Standard required that we plan and perform procedures to obtain limited

assurance about whether Management has prepared, in all material respects, the Statement on Internal Control over Financial Reporting.

For purpose of this engagement, we are not responsible for updating or reissuing any reports, nor have we, in the course of this engagement, performed an audit or review of the financial information.

Summary of Work Performed

We conducted our engagement to assess whether the Statement is supported by the documentation prepared by or for directors; and appropriately reflected the process the directors have adopted in reviewing the system of internal control over financial reporting of the Bank.

The procedures performed were limited primarily to inquiries of Bank personnel and the existence of documentation on a sample basis that supported the process adopted by the Board of Directors.

SLSAE 3050 (Revised) does not require us to consider whether the Statement covers all risks and controls or to form an opinion on the effectiveness of the Bank's risk and control procedures. SLSAE 3050 (Revised)

Partners: D K Hulangamuwa FCA FCMA LLB (London), A P A Gunasekera FCA FCMA, Ms. Y A De Silva FCA, Ms. G G S Manalunga FCA, Mr. K R S P Fernando FCA FCMA, B E Wijesuriya FCA FCMA, R N de Seram ACA FCMA, Ms. N A De Silva FCA, N M Sulaiman FCA FCMA, Ms. L K I L Fonseka FCA, Ms. P V K N Sajewani FCA, A A J R Perera FCA ACMA, K Y R L Fernando ACA, D N Samaga ACA ACMA, C A Yalagala ACA ACMA, B Vasanthan ACA ACMA, W D P I Perera ACA

Principals: T P M Rupenu FCA FCMA MBA (USJ-S), G D Goudon ACA, Ms. P S Paranavitane ACA ACMA LL B (Colombo), D I R Karunathilaka ACA, W S J De Silva Bsc (Hons) - MIS, Msr. T, V Shethilisel B.Com (Sp)

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Independent Assurance Report on Directors’ Statement on Internal Control Over Financial Reporting *Contd.*



also does not require us to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Bank, the event or transaction in respect of which the Statement has been prepared.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Our Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Statement included in the annual report is inconsistent with our understanding of the process the Board of Directors has adopted in the review of the design and effectiveness of internal control over financial reporting of the Bank.

A handwritten signature in black ink, appearing to read 'Ernest Jay', is written over a light blue horizontal line.

20 February 2025
Colombo

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE BANK

1. GENERAL

Your Directors have the pleasure in presenting their Annual Report on the State of Affairs, together with the Audited Financial Statements for the year ended 31 December 2024. Amāna Bank PLC, a licensed commercial bank was incorporated under the Companies Act No. 07 of 2007 as a public limited liability company in Sri Lanka under the registration number PB 3618. It was listed in the Colombo Stock Exchange on 29 January 2014 and re-registered under the Companies Act No. 07 of 2007 under the registration number PB 3618 PQ on 28 August 2014. Amāna Bank PLC is a licensed commercial bank under the Banking Act No. 30 of 1988 and amendments thereto and commenced commercial operations on 1 August 2011.

The Annual Report has been prepared in conformity with the requirements of the Companies Act No. 07 of 2007, the Banking Act No. 30 of 1988 (as amended), Banking Act Direction No. 11 of 2007 on Corporate Governance for Licensed Commercial Banks, and subsequent amendments thereto, the Listing Rules of the Colombo Stock Exchange and the recommended best practice on Corporate Governance.

The Financial Statements reviewed and recommended by the Board Audit Committee was approved by the Board on 20 February 2025 along with this report.

During the year, the Bank's National Long Term Rating assigned by Fitch Ratings Lanka Limited, was upgraded to an investment grade rating of BBB-(lka) from BB+(lka) with Outlook remaining Stable. In early February 2025, the Bank obtained an additional external rating from Lanka Rating Agency, a rating agency approved by the Central Bank

of Sri Lanka (CBSL), which assigned a long-term investment grade rating of BBB+ with a Stable Outlook. The Registered Office and the Corporate Office of the Bank is located at No. 486, Galle Road, Colombo 3, Sri Lanka.

2. PRINCIPAL ACTIVITIES

The principal activities of the Bank are the provision of commercial banking and related services.

3. COMPLIANCE AND CORPORATE GOVERNANCE FOR LICENSED COMMERCIAL BANKS IN SRI LANKA

The Board of Directors of the Bank has adopted a comprehensive policy on compliance and in accordance with the regulations of CBSL has established an independent compliance function in respect of statutory requirements and CBSL Directions relating to licensed commercial banks. Further, in accordance with the provisions of the Financial Transaction Reporting Act No. 06 of 2006, the Board has appointed a Compliance Officer at Senior Management level in charge of compliance of the Bank.

The Bank has also a Compliance Policy and Guideline on Know Your Customer (KYC) and Anti Money Laundering (AML).

The Compliance Division monitors the compliance of the statutory requirements of the Bank and a report is submitted to the Board Integrated Risk Management Committee, Board Audit Committee and the Board of Directors on a quarterly basis ensuring the Bank complies with all such requirements.

4. REVIEW OF OPERATIONS

The Financial and Operational performance of the Bank and the important events that took place during the year under review is contained in the Chairman's Message, Managing Director/CEO's Review and the Management Discussion and Analysis of the Annual Report. These reports form an integral part of the Annual Report of the Board of Directors.

5. FINANCIAL STATEMENTS

5.1 Compliance

The Financial Statements of the Bank have been prepared in accordance with the Sri Lanka Accounting Standards (SLRFS and LKAS) laid down by the Institute of Chartered Accountants of Sri Lanka and comply with the requirements of Companies Act No. 07 of 2007 and Banking Act No. 30 of 1988 (as amended) inclusive of specific disclosures. In terms of Section 150(1) (b) & (c) of the Companies Act No. 7 of 2007 the Financial Statements for the year ended 31 December 2024 has been duly signed by two Directors on the certification of the Chief Financial Officer of the Bank.

5.2 Auditors' Report

The Auditors of the Bank, Messrs Ernst & Young, Chartered Accountants, carried out the Audit for the financial year ended 31 December 2024 and their report on those financial statements are given on pages 234 to 237 of the Annual Report.

5.3 Significant Accounting Policies

The Significant Accounting Policies adopted in the preparation of the Financial Statements are given on pages 245 to 257 of the Annual Report.

Annual Report of the Board of Directors on the Affairs of the Bank *Contd.*

5.4 Financial Results and Comprehensive Income

5.4.1 Financing Income

The Financing Income of the Bank for the period under review was LKR 15,399,562,261 (2023 – LKR 17,238,372,606) and an analysis of the Financing Income is given in Note 4 to the Financial Statements.

5.4.2 Profits and Comprehensive Income

A breakdown of the Profits and Comprehensive Income of the Bank is given below:

Financial Results	2024 LKR	2023 LKR
Net Operating Income	8,400,032,071	7,089,782,029
Total Operating Expenses	(4,609,013,744)	(3,871,071,725)
Operating Profit Before VAT on Financial Services & Social Security Contribution Levy	3,791,018,327	3,218,710,304
VAT on Financial Services	(886,820,214)	(797,380,931)
Social Security Contribution Levy	(117,354,789)	(109,138,773)
Profit Before Tax	2,786,843,324	2,312,190,600
Tax Expenses	(1,012,177,592)	(925,414,505)
Profit for the Year	1,774,665,732	1,386,776,095
Other Comprehensive Income/(Loss) for the Year Net of Tax	4,422,303	(17,007,097)
Total Comprehensive Income for the Year	1,779,088,035	1,369,768,998

6. DIVIDENDS

6.1 Interim Dividend

An Interim Dividend of LKR 1.20 per share was declared and paid in October 2024 for the financial year ended 31 December 2024. Prior to the declaration, the Board of Directors signed a Certificate in terms of Section 56(2) of the Companies Act No. 07 of 2007 stating that in their opinion and based on the information available the Bank will satisfy the solvency test immediately after the distribution is made and have obtained a Certificate from the Auditors in terms of Section 57 of the Companies Act No. 07 of 2007.

7. PROVISION FOR TAXATION

The Income Tax payable by the Bank has been duly provided for in the Financial Statements, under existing tax legislations and in conformity with Sri Lanka Accounting Standards.

8. PROPERTY, PLANT, EQUIPMENT AND RIGHT-OF-USE ASSETS

Details of the property, plant, equipment and right-of-use assets of the Bank, additions made during the year and the depreciation charges for the year are shown in Note 26 to the Financial Statements.

9. STATED CAPITAL

9.1 Issued Capital

The Stated Capital of the Bank as at 31 December 2024 is LKR 17,633,461,196 comprising of 551,125,746 ordinary shares (2023 – LKR 17,633,461,196 comprising 5,511,257,461 ordinary shares).

The Bank consolidated its shares in the proportion of every Ten (10) existing issued Ordinary Voting shares to One (1) Ordinary Voting Share as approved by the Shareholders at an Extraordinary General Meeting of the Bank held on 5 July 2024. Accordingly, the movement in the Bank’s Ordinary Share capital during the financial period under review is given below:

Issued Capital (No. of Shares)			
Balance as at 31 December 2023	Total No. of Shares before Share Consolidation	Total No. of Shares Post Share Consolidation	Balance as at 31 December 2024
5,511,257,461	5,511,257,461	551,125,746	551,125,746

The details of the stated capital are given in Note 36 to the Financial Statements on page 281 of the Annual Report.

10. RESERVES

The Total Reserves (including Statutory Reserves) as at the end of the financial year was LKR 5,208399,198 (2023 – LKR 4,063,123,028). The movement of Reserves is indicated under the Statement of Changes in Equity in the Financial Statements on page 242 of the Annual Report.

11. DONATIONS

During the year under review, the Bank made donations amounting to LKR 757,080 (2023 – LKR 759,450).

12. DIRECTORATE

The Board is the highest decision-making authority of the Bank and is responsible for leadership and strategic direction, whilst the Management Committee is responsible for daily operations and implementing effective internal controls.

The Board and Management work with mutual trust, respect, and understanding of their respective roles, thus bringing a productive and harmonious environment conducive to effective Corporate Governance. The Board comprises eleven Directors, as of 31 December 2024, with the desired Board Balance and consists of eminent professionals in their respective fields with skills and expertise, to constructively deliberate on matters presented to the Board. Collectively they combine expertise in accounting, banking and finance, business and entrepreneurial management, investor and regulatory perspective, and law and also bring independent judgment to bear on matters reserved for the Board.

12.1 Board Process

Based on a schedule of meeting dates agreed upon at the beginning of the year, the Board meets at least every calendar month in addition to other meetings convened for specific purposes. The Chairman is responsible for determining the Agenda which is prepared with the assistance of the Company Secretary and circulated with relevant Board Papers via ‘Board Pac’ to the Directors. Minutes of deliberations and decisions are maintained in sufficient detail.

The Board plays an active role in strategy formulation by providing direction to the Management on the preparation of the Bank’s five-year Strategic Plan. This process was further enhanced by Brainstorming Sessions of the Management Committee and its outcome was incorporated into the Plan which was then presented to the Board for approval.

Annual Report of the Board of Directors on the Affairs of the Bank *Contd.*

12.2 Changes to the Directorate

The Board of Directors of the Bank comprised of eleven Directors as of 31 December 2024 with wide financial and commercial knowledge and experience. The names of the persons who were Directors during the year 2024 are given below as per section 168 (1)(h) of the Companies Act No. 07 of 2007 and the classification of the Directors into Executive, Non-Executive, Independent and Non-Independent is mentioned with their names as per the listing rules of the Colombo Stock Exchange and the Banking Act Direction No. 11 of 2007 issued by the Central Bank of Sri Lanka.

Name	Designation/Capacity
Mr. Ali Asghar Akbarally	Chairman, Non-Executive, Non-Independent Director
Mr. Mohamed Azmeer	Managing Director/Chief Executive Officer (Executive Director)
Mr. Khairul Muzamel Perera Bin Abdullah (Appointed as SID on 23 January 2025)	Non-Executive, Senior Independent Director
Mr. Dilshan Hettiaratchi	Non-Executive, Non-Independent Director
Mr. Aaron Russell-Davison (Resigned on 31 January 2024)	Non-Executive, Independent Director
Mr. Mohammed Ataur Rahman Chowdhury	Non-Executive, Non-Independent Director
Mr. Syed Muhammed Asim Raza	Non-Executive, Non-Independent Director
Mr. Tishan Subasinghe	Non-Executive, Independent Director
Mr. Omar Kassim (Resigned on 28 June 2024)	Non-Executive, Non-Independent Director
Mr. Mohamed Adamaly	Non-Executive, Non-Independent Director
Mr. Mohammad Hassan	Non-Executive, Non-Independent Director
Mr. Delvin William Pereira (Appointed on 28 March 2024)	Non-Executive, Independent Director
Mr. Mohamed Zaheer Mohamed Azreen (Appointed on 20 July 2024)	Non-Executive, Independent Director

Mr. Aaron Russell-Davison – Non-Executive, Independent Director, has tendered his resignation with effect from 31 January 2024.

Mr. Omar Kassim, Non-Executive, Non-Independent Director has tendered his resignation with effect from 28 June 2024.

Mr. Delvin William Pereira, Non-Executive, Independent Director was appointed to the Board of Amāna Bank PLC with effect from 28 March 2024.

Mr. Mohamed Zaheer Mohamed Azreen, Non-Executive, Independent Director was appointed to the Board of Amāna Bank PLC with effect from 20 July 2024.

Mr. Dilshan Hettiaratchi, Senior Independent Director became Non-Independent with effect from 1 February 2024. He will remain on the Board as Non-Executive, Non-Independent Director in accordance with CBSL's Corporate Governance Direction and continues to qualify as an Independent Director in terms of Corporate Governance Rules set out in Section 9 of the Listing Rules of CSE.

Mr. Tishan Subasinghe, Non-Executive, Independent Director was re-designated as the Senior Independent Director with effect from 1 February 2024 complying with the criteria for appointment of Senior Director.

Subsequent to the Balance Sheet date, Mr. Tishan Subasinghe, Senior Independent, Non-Executive Director stepped down in his capacity as Senior Independent Director with effect from 23 January 2025.

Mr. Khairul Muzamel Perera Bin Abdullah, Non-Executive, Independent Director was re-designated as the Senior Independent Director with effect from 23 January 2025.

The Bank had made timely disclosures to the Colombo Stock Exchange and obtained the regulatory approvals with regard to the appointments to the Board made during the reporting period, from CBSL.

12.3 Recommendation for Re-election of Directors Retiring by Rotation or Otherwise

In terms of Article 29(13) of the Articles of Association, Mr. Delvin William Pereira and Mr. Mohamed Azreen Mohamed Zaheer who were appointed to the Board subsequent to the last Annual General Meeting, retires and offer themselves for re-election.

In terms of Article 29(6) of the Articles of Association of the Bank, Mr. Mohammed Ataur Rahman Chowdhury and Mr. Syed Muhammed Asim Raza retires by rotation at the forthcoming Annual General Meeting of the Bank and offer themselves for re-election.

The Board Nomination and Governance Committee and the Board of Directors have pleasure in recommending their re-election.

12.4 Directors' Emoluments

The Directors' remuneration in respect of the Bank for the financial year ended 31 December 2024 is given in Note 13 to the Financial Statements which represents the emoluments paid to Executive and Non-Executive Directors of the Bank.

12.5 Interest Register/Directors' Interest in Contracts

As at 31 December 2024, none of the Directors had interests in contracts with the Bank, other than those disclosed in Note 46 to the Financial Statements.

The Bank has maintained an Interest Register as required by the Companies Act No. 07 of 2007. We wish to confirm that all Directors have made general declarations as required by Sections 192 (1) and (2) of the Companies Act No. 07 of 2007. This Annual Report contains the particulars of the entries made in the Interest Register in addition to the following in terms of Section 168(1) e of the Companies Act No. 07 of 2007.

Other Directorships

Name of Director – Mr. Tishan Subasinghe
- Moore LPO Services (Pvt.) Ltd. – appointed as Managing Director in January 2024

Business Relationship

Mr. Ali Asghar Akbarally – Chairman and Mr. Dilshan Hettiaratchi – Non-Executive, Non-Independent Directors are Directors of WindForce PLC and the transaction entered by the Bank is disclosed on page 182 under Directors' Interest in Contracts. Both the Directors have disclosed their interest in the transaction and refrained in taking part in the discussion and decision.

Relevant Interest in the Shares

Direct Interest - Directors

The Relevant Interest in the shares held directly by the Directors are disclosed below and the interest register has been updated accordingly of the changes that took place during the year.

12.6 Directors' Investments in Shares

The shareholdings of Directors who held office as at 31 December 2024 were as follows:

Name of Director	Number of Shares Held	Percentage of Shareholding (%)
Mr. Ali Asghar Akbarally	Nil	Nil
Mr. Mohamed Azmeer	300,000	0.05%
Mr. Khairul Muzamel Perera Bin Abdullah	Nil	Nil
Mr. Dilshan Hettiaratchi	Nil	Nil
Mr. Aaron Russell-Davison (Resigned with effect from 31 January 2024)	Nil	Nil
Mr. Mohammed Ataur Rahman Chowdhury	Nil	Nil
Mr. Syed Muhammed Asim Raza	Nil	Nil
Mr. Tishan Subasinghe	Nil	Nil
Mr. Mohamed Adamaly	Nil	Nil
Mr. Mohammad Hassan	Nil	Nil
Mr. Delvin William Pereira	Nil	Nil
Mr. Mohamed Zaheer Mohamed Azreen	Nil	Nil

Mr. Mohamed Azmeer – Managing Director/CEO held 3,000,000 shares as at 1 January 2024. Due to the share consolidation which took place during the year, the shares held by Mr. Mohamed Azmeer were reduced to 300,000 as at 31 December 2024.

The other Directors did not hold any Ordinary Shares as at the beginning of the Financial Year.

13. SHARE-BASED PLANS

The Board Human Resources and Remuneration Committee is responsible for reviewing recommendations with respect to issues or grants under the Bank’s Employee Share Option plan. The Directors approve issues or grants under the plans only after being satisfied that this is in accordance with the terms of Shareholder approval.

13.1 EMPLOYEE SHARE OPTION SCHEME

The Bank established its first Employee Share Option Scheme (ESOS) in the year 2023 with the approval of the shareholders at the Extraordinary General Meeting held on 30 March 2023. Executive Directors and employees above the Managerial Level 1 including seconded employees and such other employees as determined by the Board would be qualified to participate in the ESOS and such Eligible Employees may be granted ordinary shares in the Bank based on both the individual performance of the relevant employee and the performance of the Bank.

The Directors confirm that the Bank will not grant any funding to employees directly or indirectly to exercise share options and purchase any shares under this Scheme.

14. INVESTOR INFORMATION

14.1 Shareholding

There were 8,652 registered shareholders as at 31 December 2024. The following details relating to investor information is given on pages 339 to 341 of the Annual Report.

- 1. Distribution of Shareholders
- 2. Resident and Non-Resident Shareholding
- 3. Individual and Institutional Shareholders
- 4. Twenty Major Shareholders

14.2 Share Information

Information relating to earnings, dividends, net assets, and the market value per share is given in the Financial Highlights on page 339 of the Annual Report.

The Bank has at all times ensured that all shareholders are treated equitably.

14.3 Status of Compliance to the Minimum Public Holding Requirement of the Listing Rules

The number of Ordinary Shares held by the public as at 31 December 2024 is 215,003,002 (39.01%) of the issued capital (number of shares) of the Bank. The minimum public holding requirement as at 31 December 2024 maintained by the Bank in compliance with the Listing Rules is as follows:

Type of Share	Float Adjusted Market Capitalisation (LKR)	Public Holding Percentage	No. of Shareholders representing the Public Holding Percentage	Option
Ordinary Shares	5,267,573,549	39.01%	8629	3

14.4 Issue of Shares under the Employee Share Option Plan

During the year under review, no employee has exercised their rights to purchase the shares granted under the Employee Share Option Plan and the details of the shares granted/vested since the establishment of the scheme in April 2023 is given under Investor Relations found on page 341 of the Annual Report.

15. RELATED PARTY TRANSACTIONS

The Bank’s transactions with Related Parties given in Note 46 to the Financial Statements, have complied with the listing Rule 9.14 of the Colombo Stock Exchange and under the Code of Best Practice on Related Party Transactions issued under the Directive of The Securities and Exchange Commission of Sri Lanka.

There were no other non-recurrent Related Party Transactions where the aggregate value exceeds 10% of equity or 5% of total assets of the Bank whichever was lower as at 31 December 2024.

There were no other recurrent Related Party Transactions where the aggregate value exceeds 10% of the gross income of the Bank which requires additional disclosures as per the Listing Rules of the Colombo Stock Exchange.

The Directors declare that they have complied with the provisions of the Code relating to full disclosure of Related Party Transactions entered into during the Financial Year ended 31 December 2024.

16. CONTINGENT LIABILITIES

In the opinion of the Directors who in consultation with the Bank's lawyers have established that litigation currently pending against the Bank will not have a material impact on the reported financial results or the future operations of the Bank. Details of litigation pending against the Bank are given in Note 49 to the Financial Statements.

17. STATUTORY PAYMENTS

The Directors, to the best of their knowledge and belief, are satisfied that all statutory payments due to the Government, other regulatory bodies and related to the employees have been paid on a timely basis.

18. RISK MANAGEMENT

The Bank has an ongoing process in place to identify, evaluate and manage risks that are faced by the Bank. The Board Integrated Risk Management Committee regularly reviews these processes and updates the Board. The Risk Management Framework is detailed in pages 206 to 231 of the Annual Report.

19. ENVIRONMENTAL PROTECTION

To the best knowledge of the Board, the Bank has not engaged in any activity that is harmful or hazardous to the environment. The Directors also confirm that to the best of their knowledge and belief the Bank has complied with the relevant environmental laws and regulations.

20. GOING CONCERN

The Board of Directors has reviewed the Strategic Plan of the Bank and the Budget for the ensuing year and is satisfied that the Bank has adequate resources to continue their operations in the foreseeable future. Accordingly, the Financial Statements of the Bank are prepared on a going-concern basis.

21. EVENTS AFTER THE REPORTING DATE

No circumstances have arisen since the reporting date which would require adjustments to, or disclosure in the Financial Statements except for the events disclosed in Note 47 to the Financial Statements.

22. BOARD COMMITTEES

The Board of Directors, while assuming the overall responsibility and accountability for the management oversight of the Bank has also appointed Board Committees to ensure oversight and control over certain functions of the Bank conforming to Directions on Corporate Governance issued by CBSL. The members of the Board Sub-Committees are detailed under Corporate Information of the Annual Report.

The mandatory Committees, established under the Listing Rules of the Colombo Stock Exchange and the Corporate Governance Directions issued to licensed commercial banks by CBSL, have reports included in this Annual Report detailing the composition of membership, their movement, attendance, and the activities carried out during the year and their functions.

23. AUDITORS

The Financial Statements for the year ended 31 December 2024 have been audited by Messrs Ernst & Young, Chartered Accountants who offer themselves for reappointment. A resolution relating to their reappointment and authorizing the Directors to determine their remuneration will be proposed at the Annual General Meeting.

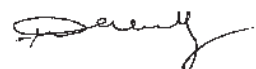
The Auditors Messrs Ernst & Young, Chartered Accountants were paid/provided with LKR 5,005,000 as Audit fees by the Bank. As far as the Directors are aware the Auditors do not have any relationship (other

than that of an Auditor and Tax Consultant) with the Bank. The Auditors also do not have any interest in the Bank.

24. ANNUAL GENERAL MEETING

The Annual General Meeting will be held on Tuesday, 6 May 2025 at 3.00 p.m. at the Registered Office, No. 486, Galle Road, Colombo 3, via a digital platform.

By Order of the Board
AMĀNA BANK PLC



Ali Asghar Akbarally
Chairman



Mohamed Azmeer
Managing Director/CEO



Shaheela Shibly
Company Secretary

20 February 2025
Colombo

DIRECTORS' INTEREST IN CONTRACTS

Name of Director	Name of Company	Position	Nature of Transaction	Amount 2024 LKR	Amount 2023 LKR
Mr. Ali Asghar Akbarally	Akbar Brothers (Pvt) Limited	Director	Due to Depositors	2,514,681,537	2,637,650,832
Mr. Ali Asghar Akbarally	WindForce PLC	Director	Financing and Receivables to Other Customers	-	151,117,016
			Due to Depositors	18,853,084	370,625
Mr. Dilshan Hettiaratchi		Director	Letters of Credit, Letters of Guarantee, Shipping Guarantees and Other	53,751,466	698,882,984
Mr. Ali Asghar Akbarally, Chairman of the Bank is also Chairman of Laviyani Holdings (Pvt) Limited, Uthurumaafaru Holdings (Pvt) Limited - Maldives, Cocoon Investments (Pvt) Limited - Maldives and Hermitage Resorts (Pvt) Limited and also a Director of Alumex PLC, AB Lagoon (Pvt) Limited, Akbar Brothers Exports (Pvt) Limited, Falcon Trading (Pvt) Limited, Falcon Development (Pvt) Limited, Chadstone Holdings (Pvt) Limited, Flexi Print (Pvt) Limited, Quick Tea (Pvt) Limited, Land & Building (Pvt) Limited, Stella Plastic India (Pvt) Limited, Renewgen (Pvt) Limited, Kassanfaru One (Pvt) Limited and Joy Resorts (Pvt) Limited.					
Mr. Dilshan Hettiaratchi, a Director of the Bank is also a Director of Asset Trust Management (Pvt) Limited, Faber Capital Lanka (Pvt) Limited, Faber Capital (DIFC) Limited, Southern Gammiris Lanka (Pvt) Limited, Last Mile Delivery (Pvt) Limited, Boda Boda (Pvt) Limited, Premier Solar Group Limited, Premier Solar Lanka (Pvt) Limited, Preserving Land and Nature (Guarantee) Limited and Wealth Lanka Management (Pvt) Limited.					
Mr. Omar Kassim*	Nomod Inc	Director	Due to Depositors	N/A	49,219
Mr. Omar Kassim, a Director of the Bank is also a Director of Esanjo Ventures Limited					
Mr. Mohamed Azmeer	Better Space Holdings (Pvt) Limited	Director	Due to Depositors	29,543	426,482
Mr. Mohamed Azmeer	Better Space Properties (Pvt) Limited	Director	Due to Depositors	10,109	9,794
Mr. Aaron Russell-Davison*, a Director of the Bank is also Director of Softlogic Holdings PLC, Softlogic Capital PLC, Korcula Holdings (Pvt) Limited, Ceylon Cinnamon Corporation (Pvt) Limited, Silk Road Partners (Pvt) Limited, Southern Investment Enterprises (Pvt) Limited, Ashari (Pvt) Limited, Rajan (Pvt) Limited, Sherry Lanka (Pvt) Limited, Arran Holdings (Pvt) Limited, Lidsay Lanka (Pvt) Limited, Oceans Edge (Pvt) Limited, Qwant (Pvt) Limited, Sparkle Sands (Pvt) Limited, Madeleine (Pvt) Limited and Shineon (Pvt) Limited.					
Mr. Mohamed Adamaly, a Director of the Bank is also a Director of David Pieris Holding (Pvt) Limited, Synergy Plus (PTE) Limited, Palm Stone (Pvt) Limited, Soul Resorts (Pvt) Limited, Monad (Pvt) Limited, Monad Corporate Services (Pvt) Limited, S A A Lanka (Pvt) Limited, Adamantium Investments (Pvt) Limited, Blue Sky Luxury Apartments (Pvt) Limited, DPMC Assetline Holdings (Pvt) Limited and Assetline Lands (Pvt) Limited.					
Mr. Tishan Subasinghe, an Independent Director of the Bank is also Chairman of Sanasa General Insurance Company Limited, a Director of Kapruka Holdings PLC, Samsons International PLC (w.e.f. January 2025), Moore Consulting (Pvt) Limited, Moore LPO Services (Pvt.) Ltd. and a Partner of Moore Aiyar.					
Mr. Delvin William Pereira**, an Independent Director of the Bank is also a Director of Highbrow International Pvt Ltd.					
Mr. Mohamed Zaheer Mohamed Azreen**, an Independent Director of the Bank is also a Director of Kuwait Finance House (Malaysia) Berhad, Transco Cargo Ltd., Afadamad (Pvt) Ltd., Frontier Secretarial House (Pvt) Ltd., PT Indo Rempah Commodities, Spillburg Holdings (Pvt) Ltd. and Chief Executive Officer of Frontier Advisory (Pvt) Ltd.					

* Mr. Aaron Russell-Davison and Mr. Omar Kassim resigned as Directors of the Bank w.e.f. 31 January 2024 and 28 June 2024 respectively.

** Mr. Delvin William Pereira and Mr. Mohamed Zaheer Mohamed Azreen were appointed as Independent Directors of the Bank w.e.f. 28 March 2024 and 20 July 2024 respectively.

BOARD AUDIT COMMITTEE REPORT

AUTHORITY AND COMPOSITION

The Board Audit Committee (BAC) conducts its proceedings in accordance with the terms of reference approved by the Board of Directors. The Committee as at the end of the year 2024 comprised of Three (3) Non-Executive Directors, Two (2) of them being Independent. The Chairman of the Committee, Mr. Tishan Subasinghe is a Fellow and Council Member of the Institute of Chartered Accountants of Sri Lanka.

Table below shows the list of members of the BAC during the year under review and their attendance at Committee meetings held during the year:

Member	Total Number of Meetings Attended / Total Number of Meetings Eligible to Attend
Mr. Tishan Subasinghe – Chairman (Non-Executive, Senior Independent Director)	7/7
Mr. Mohammed Ataur Rahman Chowdhury (Non-Executive, Non-Independent Director)	
Note: Mr. Mohammad Hassan (Non-Executive, Non-Independent Director) attended on behalf of Mr. Mohammed Ataur Rahman Chowdhury during 2 BAC meetings held within the year.	7/7
Mr. Aaron Russell-Davison (Non-Executive, Independent Director) – Resigned from the Board of Directors of Amāna Bank PLC w.e.f. 31 January 2024	0/1
Mr. Khairul Muzamel Perera Bin Abdullah (Non-Executive, Independent Director) – Ceased to be a member of the BAC w.e.f 28 September 2024	6/6
Mr. Mohamed Zaheer Mohamed Azreen (Non-Executive, Independent Director) – Appointed to the BAC w.e.f 28 September 2024	1/1

The Chief Internal Auditor functions as the Secretary to BAC.

ROLE OF THE BOARD AUDIT COMMITTEE

The Committee assists the Board of Directors in carrying out its responsibilities in relation to financial reporting requirements and assessment of internal controls. The role and responsibilities of the Committee is defined in the Committee’s “Terms of Reference” document. The Committee amongst other functions performs the following key tasks:

- i. Reviewing the operations and effectiveness of the Bank’s internal control system to ensure that a good financial reporting system is in place to comply with the Sri Lanka Accounting Standards.
- ii. Ensuring that the presentation of Financial Statements satisfies all applicable accounting standards as well as the relevant legal and regulatory requirements.

- iii. Recommending the appointment or reappointment of the External Auditor for audit services in compliance with the relevant statutes.
- iv. Reviewing and monitoring the External Auditor’s independence and objectivity and the effectiveness of the audit processes in accordance with applicable standards and best practices.
- v. Discussing and finalising with the External Auditors the nature and scope of the audit before the commencement of the audit.
- vi. Ensuring that an Internal Audit Charter and a comprehensive Internal Audit Manual comprising of relevant Guidelines are in place.
- vii. Reviewing the adequacy of the scope, functions and resources of the Internal Audit Division and ensuring that appropriate actions are taken on the findings and recommendations reported by the Division.

REGULATORY COMPLIANCE

The role and functions of the BAC are regulated by the Banking Act Direction No. 11 of 2007 (as amended)- the Mandatory Code of Corporate Governance for Licensed Commercial Banks issued by the Central Bank of Sri Lanka (hereinafter referred to as the CBSL Direction), the Best Practices of Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka and Section 9 of the Listing Rules of the Colombo Stock Exchange on Corporate Governance (hereinafter referred to as the CSE Listing Rules).

Composition of the Committee is in compliance with related requirements as per the CBSL Direction and the CSE Listing Rules.

To ensure compliance with the Sri Lanka Auditing Standards (SLAuSs), the BAC

Board Audit Committee Report *Contd.*

oversees the Bank's internal controls and risk management processes to confirm they are adequately designed and operating effectively. This oversight ensures that the Bank's financial reporting is accurate, complete, and in accordance with applicable laws and regulations, thereby fulfilling the requirements set forth in the SLAuSs.

In line with the CBSL Direction and CSE Listing Rules the BAC has diligently carried out its responsibilities during the financial year, ensuring effective oversight of the company's financial reporting, internal controls, and risk management systems. The committee has met regularly to review and assess the integrity of financial statements, compliance with applicable laws, and the adequacy of internal audit processes. Additionally, the BAC has liaised with both internal and external auditors to ensure that audit findings were addressed appropriately, and has taken necessary steps to mitigate financial and operational risks. The committee is satisfied that its functions have been effectively discharged, contributing to the company's transparency, accountability, and good corporate governance.

MEETINGS

The Committee met seven (7) times during the year under review. The regular attendees on invitation to the BAC meetings are the Managing Director/CEO (MD/CEO), Chief Operating Officer (COO) and the Chief Financial Officer (CFO).

On the invitation of the Committee, the Engagement Partner of the Bank's External Auditors, M/s Ernst and Young also attended three (3) meetings held during the year. Further where necessary, Key Management Personnel from pertinent business and support divisions of the Bank were also invited to attend relevant segments of the

meetings to enhance the awareness of the Committee with regard to issues and/or developments relating to such divisions.

Such invitations were extended to ensure that the Committee is provided with all the relevant information to facilitate the discharge of its role and responsibilities.

FINANCIAL REPORTING

BAC as part of its responsibility to oversee the Bank's financial reporting process on behalf of the Board of Directors has reviewed and overseen the Bank's compliance with financial reporting requirements, information requirements under the CSE Listing Rules, the Companies Act No. 07 of 2007, the Securities and Exchange Commission (SEC) Act No. 19 of 2021, and other relevant financial reporting-related regulations and requirements. Accordingly, the Committee ensured the accuracy, integrity, and timeliness of financial and regulatory disclosures while upholding the highest standards of corporate governance.

As part of the above process the BAC has reviewed and discussed with the Management, the Annual Financial Statements for the year 2024, prior to release. These Financial Statements have been prepared in line with the Sri Lanka Accounting Standards (SLFRS & LKAS) and are an integral part of the Bank's Annual Report. BAC has also met, reviewed and recommended all quarterly interim financial statements of the Bank for the year 2024 before release of the same to the Colombo Stock Exchange. Above review by the Committee included the extent of compliance with the Sri Lanka Accounting Standards & the Companies Act No. 07 of 2007 and other applicable laws and regulations.

BAC also obtained and reviewed the assurance statement provided by the MD/CEO and the CFO, confirming that the financial records have been properly maintained and that the financial statements give a true and fair view of the Bank's operations and financial position in compliance with applicable accounting standards and regulatory requirements.

RISKS AND INTERNAL CONTROLS

The internal controls within the Bank are designed to provide reasonable but not absolute assurance to the Directors and assist them to monitor that the Bank operates efficiently, complies with laws and regulations and to protect its assets. During the year, the Committee reviewed the effectiveness of the Bank's internal control system and assessed the effectiveness of the internal controls over financial reporting as of 31 December 2024, as required by the CBSL Direction, Subsection 3 (8) (ii) (b).

The result of the assessment is given on pages 171 and 172 of the Annual Report, titled "Directors' Statement on Internal Control over Financial Reporting". The External Auditors have issued an Assurance Report on the "Directors' Statement on Internal Control over Financial Reporting". This report is given on pages 173 and 174 of the Annual Report. Based on its assessment of the Internal Control System, the Committee concluded and confirmed to the Board as of 31 December 2024 that the Bank's Internal Control over financial reporting is effective.

EXTERNAL AUDIT

The BAC has reviewed the written statements provided by the Bank's External Auditors who are approved by the SEC confirming that they are and have been independent throughout the conduct of the audit engagement

and made a determination regarding the independence of the external auditors for the financial year, in accordance with applicable regulatory requirements and best practices. The committee has assessed such independence of the auditors based on the criteria set out in the relevant regulations, including the professional standards for audit firms, and has ensured that no conflicts of interest exist.

Having satisfied itself based on the above process, the BAC assisted the Board with its recommendations to the shareholders on the re-appointment of M/s Ernst & Young, Chartered Accountants as external auditors for the financial year ended 31 December 2024. The role played by the BAC with regard to the External Audit and also to ensure the independence of External Auditors is further elaborated below:

- ❖ Monitoring and evaluating the independence, objectivity and effectiveness of the External Audit at the planning, execution, completion and reporting phases of the External Audit Assignment.
- ❖ Discussing the approach and procedures followed by the External Auditors, including matters relating to the audit plan, key risk areas, scope and the methodology proposed to be adopted in conducting the audit, prior to commencement of the annual audit.
- ❖ Discussion of the time frame allocated for the External Audit and approving the remuneration and other terms of engagement of the External Auditors.
- ❖ Reviewing the existing non-audit services provided by the External Auditors and also approving any new services to the external auditors by ensuring that such functions do not fall within the restricted services which will impair the External

Auditors' independence and objectivity. These exercises are performed by the BAC in line with the Bank's policy on engaging the External Auditor for non-audit services.

- ❖ BAC met the External Auditors Two (2) times during the year without the presence of the executive management to ensure that there was no limitation of scope in relation to the Audit and any other related incidents which could have had a negative impact on the effectiveness of the external audit, and concluded that there was no cause for concern.
- ❖ BAC reviewed the results of the external audit for the year 2024 as presented by the external auditors and also the performance of the external auditors against the agreed terms of engagement.
- ❖ Moreover, the Committee also reviewed the External Auditor's Management Letter – 2023 and the management's responses thereto.

The external auditor has been engaged with the Bank for 14 years, with the current audit partner overseeing the engagement for 2 years. The BAC has noted the provision of non-audit services by the external auditor during the year and is satisfied that the fees paid for such services did not impair the independence and objectivity of the external auditors. The committee remains confident that the external auditors have continued to perform their duties with the highest level of integrity and independence.

INTERNAL AUDIT

Internal Audit Division (IAD) conducted planned audit assignments at the Bank's Branches, Head office Departments/Process, Information Systems and related processes

based on the risk based Internal Audit Plan approved by the BAC for the year 2024.

IAD also performed other reviews such as adhoc reviews & investigations based on the requirements from BAC, Management or based on need. Internal Audit reports are tabled at the BAC meetings and directions of the BAC are effectively communicated to the Auditees including on follow-up of unresolved audit findings. The progress of the Internal Audit assignments were measured against the approved Internal Audit Plan for the year 2024 and presented to the BAC on a quarterly basis. All such functions of IAD are performed in line with the Board approved Internal Audit Charter. During the year, the BAC reviewed the effectiveness, independence, objectivity and performance of the Internal Audit Function. This review also included the findings from the Internal Audits completed and IAD's evaluation of the Bank's internal controls. The Committee also reviewed the scope and adequacy of Internal Audit coverage through the Internal Audit Plan and approved the same. It also assessed the IAD's resource requirements.

During the year 2024, IAD implemented the initial phase of the project on continuous monitoring of selected system based controls by leveraging the Audit Analytical solution used by IAD and Robotic Process Automation (RPA). Such continuous monitoring is facilitated by generating automated alerts using RPA to the respective process owners if and when there are exceptions to the selected system based controls.

PROFESSIONAL ADVICE

The Committee has the authority to seek external professional advice on matters within its purview.

Board Audit Committee Report *Contd.*

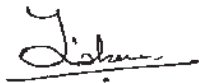
WHISTLE BLOWING

An internal Whistle Blowing scheme is in place for all staff members to raise any concerns and expose any suspected wrongdoings and provides a process for resolving such wrongdoings without any fear of reprisal or adverse consequences to those associated in disclosure thereof. The Committee has put in place a process to continuously review and investigate the complaints received via this scheme and appropriate directions are provided by the Committee where applicable in relation to the conclusions arrived at, based on such investigations.

The Bank's Whistle Blowing process has provision for the anonymity of the Whistle Blower and ensures the confidentiality of the subject-matter. Further, where-possible two-way communication with the whistle blower is made in instances where the Whistle Blower has chosen to disclose his/her identity.

COMMITTEE EVALUATION

BAC to the best of its knowledge, effectively discharged its duties in relation to Financial Reporting, External Audit, Internal Audit and other responsibilities entrusted to the Committee from various rules & regulations for the year 2024. The annual evaluation of the BAC was carried out by the members of the Board of Directors who are not part of the BAC and the Committee has taken note of the feedback received.



Tishan Subasinghe

Chairman – Board Audit Committee

20 February 2025
Colombo

BOARD INTEGRATED RISK MANAGEMENT COMMITTEE REPORT

COMPOSITION OF THE COMMITTEE

The Board Integrated Risk Management Committee (BIRMC) comprising of members listed below conducts its proceedings in accordance with the Terms of Reference approved by the Board of Directors. The Committee was formed by the Board on 30 May 2011 and the current Chairman is Mr. Khairul Muzamel Perera Bin Abdullah.

The Committee met four times during the year 2024 and the attendance is as follows:

Member	Participation / Eligibility
Mr. Khairul Muzamel Perera Bin Abdullah - (Chairman) (Non-Executive, Independent Director)	4/4
Mr. Mohammed Ataur Rahman Chowdhury (Non-Executive, Non-Independent Director)	3/4
Mr. Tishan Subasinghe (Non-Executive, Senior Independent Director)	4/4
Mr. Mohamed Zaheer Mohamed Azreen (Non-Executive, Independent Director) Appointed to the BIRMC w.e.f. 28 September 2024	1/1
Mr. Mohamed Azmeer (Managing Director/CEO)	4/4
Mr. M. M. S. Quvylidh (Chief Risk Officer)	4/4

The Manager - Integrated Risk Management serves as the Secretary to the BIRMC.

REGULATORY COMPLIANCE

The BIRMC was established by the Board of Directors, in compliance with Section 3 (6) of Direction No. 11 of 2007, on Corporate Governance for Licensed Commercial Banks in Sri Lanka, issued by the Monetary Board of the Central Bank of Sri Lanka (CBSL) under powers vested in the Monetary Board, in terms of the Banking Act No. 30 of 1988 as amended.

MEETINGS

The Committee had four meetings during the year under review. The Chief Operating Officer, Head of Risk Middle Office and Chief Financial Officer attended BIRMC meetings by invitation .

Key Management Personnel from relevant business and support departments of the Bank including the Chief Compliance Officer (CCO) and Chief Information Officer (CIO) were also invited to attend segments of the meetings to articulate and clarify matters relating to their respective areas. Such invitations were extended to ensure that the BIRMC is provided with all relevant information to facilitate discharge of its roles and responsibilities.

Copies of the confirmed minutes of previous BIRMC meeting were submitted to the subsequent Board meetings for information, while the recommended policies and papers were forwarded to the board for approval. A summary of the discussions held during the BIRMC meetings were shared with the Board at upcoming BoD meetings to ensure the Board remained informed about the matters discussed and addressed at the BIRMC.

ROLES AND RESPONSIBILITIES OF THE BIRMC

The BIRMC is primarily responsible for the effective operation of the risk management function within the Bank. The BIRMC has the authority to request diverse information from various sources, in order to effectively carry out its responsibilities on the risk management process of the Bank. The Committee oversees and controls integrated planning and monitoring of the risk profile and capital adequacy, providing an alignment of risk appetite and capital requirements. Its main responsibilities include:

- i. Ensure that the Bank has comprehensive risk management policies and framework and appropriate compliance policies and processes are in place and to continuously monitor their effectiveness so as to inculcate a proactive risk management culture within the Bank.
- ii. Review the risk policies/Integrated Risk Management Framework adopted by the Bank on an annual basis.
- iii. Reviewing the independence and assess the Bank's risk management processes and internal controls throughout the Bank with a view to manage the Bank's key risk control and mitigation processes including business continuity plans.
- iv. Review and recommend the risk appetite/ tolerance for the Bank at all levels of business, to the Board for adoption.
- v. Assess and oversee risks, i.e. credit, market, liquidity, operational and strategic risks of the Bank, on a monthly basis through appropriate risk indicators and management information.
- vi. Review the independence and robustness of risk management processes and internal controls throughout the Bank, with a view to manage the Bank's key risk controls and mitigation processes.

Board Integrated Risk Management Committee Report *Contd.*

- vii. Oversee management level committees managing risk, such as Executive Risk Management Committee (ERMC), Executive Credit Committee 1 (ECC 1), the Asset and Liability Committee (ALCO) and Information Technology & Security Committee (ITSC).
- viii. Ensure that there are clear and independent reporting lines and responsibilities for risk management functions.
- ix. Apprise the Board on the proper management of risk, specifically relating to Capital, Market, Credit and Operational risks and seeking the Board's endorsement on any strategic decisions taken relating to such risks.
- x. Take prompt corrective action to mitigate the effects of specific risks, in case such risks are at levels beyond prudent levels decided by the Committee, aligned with the Bank's policies and regulatory and supervisory requirements.
- xi. Take appropriate actions against officers responsible for failure to identify specific risks and take prompt corrective actions as recommended by the Committee, and/or as directed by the regulator.
- xii. Submit an update on key matters discussed and resolved at the BIRMC, to the upcoming Board meeting, prior to the issuance of the BIRMC minutes.
- xiii. Establish a compliance function to assess the Bank's compliance with laws, regulatory guidelines, other statutes, internal controls and approved policies on all areas of business operations. A dedicated Compliance Officer selected from the Key Management Personnel shall carry out the compliance function and report to the Committee periodically.

- xiv. Ensure information security and technology risk profile of the Bank together with any information on security incidents including cyber security are looked at and updated to the Board regularly.

The BIRMC has the authority to seek external professional advice on matters within its purview.

RISK MANAGEMENT AND INTERNAL CONTROLS

Risk management controls are implemented across the Bank to provide reasonable assurance to the Board and Senior Management that, effective mitigation action plans are implemented to address all risk exposures. During the year, BIRMC has reviewed and assessed the effectiveness of the Bank's risk management controls for the financial year ended 31 December 2024. In pursuit of managing its risk profile, the Bank has further strengthened the Risk Management Department (RMD) with the objective of effectively managing the core functions of risk management: credit, market, liquidity and operational risks.

The Risk management functions cover comprehensive aspects of risk management and it is to provide an enhanced focus on holistic risk management and cross-risk oversight to further enhance our risk culture and the risk profile.

The BIRMC has reviewed the Bank's risk management framework and controls for the financial year ended 31 December 2024. It emphasized strengthening self-assessment on regulatory aspects and enhancing the Bank's risk culture.

BIRMC REVIEW AND EVALUATION

The BIRMC reviewed the stress test analysis conducted by the Risk Management Division to assess the Bank's portfolio resilience under different stress scenarios. This analysis was critical for evaluating the potential impact of economic challenges and was incorporated into the Internal Capital Adequacy Assessment Process (ICAAP) for 2024. It was noted that the Bank's Capital Adequacy Ratio (CAR) remained well above the required regulatory levels even under worst-case scenarios.

BIRMC reviewed the Recovery Plan (RCP) prepared by the Risk Division which enables the Bank to identify the full range of recovery options available to a bank to deal with shocks to capital, liquidity and all other aspects that may arise from institution-specific stresses, market-wide stresses, or a combination of both. The primary purpose of the RCP was noted to ensure the Bank's resilience during stress scenarios by outlining actionable strategies to restore financial and operational stability.

The Risk Control and Self-Assessment (RCSA) process was strengthened across critical business units to identify, assess, mitigate, and monitor operational risks. The committee aims to continuously strengthen the RCSA process to enhance risk management capabilities.

The Risk Management Division successfully conducted a Business Continuity Plan (BCP) drill, which, for the first time, was tested over a consecutive seven-day period, including five working days and weekend banking operations. The drill identified negligible issues, and the Disaster Recovery (DR) test

results were validated by the Internal Audit Department, subsequently approved by the Board, and submitted to CBSL.

BIRMC has also reviewed multiple policies during the year 2024 and recommended the same for onward submission to Board of Directors for approval. Additionally, CBSL directions requiring immediate amendments to certain policies were reviewed and forwarded to the Board with recommendations for approval. The Policies required by the Listing Rules of Colombo Stock Exchange (CSE) have been reviewed and approved by the Board to ensure compliance with such regulatory requirements.

The committee reviewed cyber security risk through the presentation made at the BIRMC detailing recent cyber security incidents within the industry in 2024.

The BIRMC evaluated the management committees under its purview and confirmed their effective functioning in alignment with their respective Terms of Reference.

The Board and the BIRMC are satisfied with the effective risk management strategies implemented under the Bank's Integrated Risk Management Framework (IRMF), which was reviewed and revised in accordance with the latest CSE regulations as well. The BIRMC also reviewed and assessed the adequacy of controls and significant risk areas through a regularly updated risk dashboard. The Bank will continue to review, monitor and proactively address potential risks identified in all its operations and implement appropriate mitigation strategies, to maintain its steady growth and expansion. The Bank will continue to operate within its approved

risk appetite while adhering to BASEL regulations, CSE's Listing Rules and CBSL requirements for effective risk management practices. The processes required by the CSE's Listing Rules have been established to ensure compliance with such regulatory requirements. The Terms of reference (TOR) of the BIRMC was reviewed and updated to align with the corporate governance requirements outlined in section 9.13 of the CSE's Listing rules.



Khairul Muzamel Perera Bin Abdullah

Chairman - Board Integrated Risk Management Committee

20 February 2025
Colombo

BOARD HUMAN RESOURCES AND REMUNERATION COMMITTEE REPORT

The Board Human Resources and Remuneration Committee (BHRRC) comprises of the following members during the year under review:

1. Mr. Tishan Subasinghe – Chairman (Non-Executive, Senior Independent Director)
2. Mr. Ali Asghar Akbarally – Member (Non-Executive, Non-Independent Director)
3. Mr. Dilshan Hettiaratchi – Member (Non-Executive, Non-Independent Director)
4. Mr. Mohammed Aatur Rahman Chowdhury – Member (Non-Executive, Non-Independent Director)
5. Mr. Khairul Muzamel Perera Bin Abdullah – Member (Non-Executive, Independent Director)

All five (5) Directors in the Committee are Non-Executive Directors with two (2) being Independent Directors.

Mr. Mohamed Azmeer, Managing Director/CEO, is an invitee and attends BHRRC meetings regularly.

REMUNERATION POLICY, AUTHORITY AND RESPONSIBILITIES

The Remuneration Policy of the Bank is formulated to attract and retain high performing employees at all levels, by upholding best governance practices by ensuring a fair, transparent, market-competitive and structured approach to remuneration that are compliant with the laws and regulations of the Country. The objective of the policy is to ensure that the Executive Directors, KMPs and staff at all levels are properly incentivised and motivated to perform for the best interest of the Bank.

The Committee has maintained a formal and transparent process for setting Executive Directors' remuneration, ensuring non-involvement of Directors in the process.

The remuneration of Non-Executive Directors follows a non-discriminatory approach, while maintaining transparency, fairness and ensuring their independence is not impaired.

The BHRRC has the explicit authority to decide on, and review the Bank's Human Resources and Remuneration Policy and Structure within its Terms of Reference on behalf of the Board of Directors. It may however, refer any matter which in the opinion of BHRRC should be decided by the Board of Directors together with its recommendations.

In discharging its duties and functions the BHRRC has all the resources it needs to do so and full and unrestricted access to information and the right to obtain external professional advice and invite outsiders with relevant experience to attend meetings if necessary.

The Roles and Responsibilities of the Committee include:

- (i) Approving the periodic review of Human Resource Policies and Procedures based on Management's recommendation.
- (ii) Approval of Remuneration.
 - a. Directors' emoluments
 - b. Annual salary and bonus based on performance evaluations
 - c. Incentives, allowances and other perquisites

- (iii) Evaluating the performance of the CEO and Key Management Personnel against the set targets and determine the basis for revising remuneration, benefits and other payments of performance-based incentives.

The aggregate remuneration of the Executive and Non-Executive Directors is disclosed in Note 13 to the Financial Statements on page 262 of the Annual Report.

MEETINGS

Meetings are held as and when necessary after providing sufficient notice to all members. There were 3 BHRRC meetings held in the year 2024.



Tishan Subasinghe
Chairman - Board Human Resources and Remuneration Committee

20 February 2025
Colombo

BOARD NOMINATION AND GOVERNANCE COMMITTEE REPORT

BOARD NOMINATION AND GOVERNANCE COMMITTEE REPORT

The Board Nominations and Governance Committee (BNAGC) formerly known as the Board Nominations Committee (BNC) functions in accordance with its scope and responsibilities covered under its board-approved Terms of Reference (TOR). The TOR of the BNAGC encompasses the provisions in section 9.11.5 of the Listing Rules of the Colombo Stock Exchange. During the year, the BNAGC reviewed and recommended the corporate governance policies to the Board and complied with Listing Rules requirements which became effective from 1 October 2024.

COMPOSITION OF THE COMMITTEE

The BNAGC comprises of five (5) Non-Executive Directors. The members of the Committee and their attendance at the Committee Meetings as at 31 December 2024 are as follows:

Name of Member	Position	Date of Appointment to the Committee	Attendance Participated/ Eligibility
Mr. Tishan Subasinghe (Non-Executive, Senior Independent Director)	Chairman	26 August 2020 Appointed as Chairman on 1 February 2024	6/6
Mr. Dilshan Hettiaratchi (Non-Executive, Non-Independent Director)	Member	25 June 2016 Moved out of the BNAGC 25 May 2024	3/4
Mr. Ali Asghar Akbarally (Non-Executive, Non-Independent Director)	Member	15 August 2020	6/6
Mr. Aaron Russell-Davison (Non-Executive, Independent Director)	Member	12 January 2023 Resigned from the Board on 31 January 2024	N/A
Mr. Khairul Muzamel Perera Bin Abdullah (Non-Executive, Independent Director)	Member	1 February 2024	5/6
Mr. Mohammed Ataur Rahman Chowdhury (Non-Executive, Non-Independent Director)	Member	20 April 2019 Moved out of the BNAGC on 20 April 2024 Re-appointed on 25 May 2024	5/5
Mr. Delvin William Pereira - Non-Executive, Independent Director	Member	20 April 2024	3/3

During the year under review, Mr. Aaron Russell-Davison (Non-Executive, Independent Director) resigned from the Board on 31 January 2024.

Mr. Mohammed Ataur Rahman Chowdhury - Non-Executive, Non-Independent Director moved out of the BNAGC with effect from 20 April 2024 and Mr. Delvin William Pereira - Non-Executive, Independent Director was appointed to the BNAGC with effect from 20 April 2024. Mr. Dilshan Hettiaratchi (Non-Executive, Non-Independent Director) has moved out of the BNAGC with effect from 25 May 2024, and Mr. Mohammed Ataur Rahman Chowdhury - Non-Executive, Non-Independent Director was appointed to the BNAGC with effect from 25 May 2024.

Subsequent to the Balance Sheet date, Mr. Tishan Subasinghe - Non-Executive, Senior Independent Director has moved out of the BNAGC with effect from 23 January 2025 as Chairman and Member. The vacancy created in the BNAGC was filled by the appointment of Mr. Mohamed Zaheer Mohamed Azreen – Non-Executive, Independent Director as a member and Chairman of BNAGC with effect from 23 January 2025.

The brief profiles of the Members of the Committee and their other directorships are given on pages 10 to 19 in the Annual Report. The Company Secretary functions as the Secretary of the Committee.

Board Nomination and Governance Committee Report *Contd.*

The Board Nominations and Governance Committee (BNAGC) comprises the following members with effect from 23 January 2025

Name of Member	Position
Mr. Mohamed Zaheer Mohamed Azreen (Non-Executive, Independent Director)	Chairman
Mr. Ali Asghar Akbarally (Non-Executive, Non-Independent Director)	Member
Mr. Khairul Muzamel Perera Bin Abdullah (Non-Executive, Senior Independent Director)	Member
Mr. Mohammed Ataur Rahman Chowdhury (Non-Executive, Non-Independent Director)	Member
Mr. Delvin William Pereira (Non-Executive, Independent Director)	Member

AUTHORITY OF THE COMMITTEE

The Committee has the authority to discuss issues under its purview and provide the Board with recommendations, enabling the Board to take a final decision on the matter. The Members of the Committee have the authority to express their views when making decisions.

The Committee reviews the board's structure, size, composition, and competencies and makes recommendations to the Board regarding any changes.

The Committee recommends to the Board on insurance covers to be taken in respect of all Directors and Key Management Personnel including indemnity insurance covers.

If a need arises, the Committee has the authority to hire professionals from outside in the capacity of consultants for advice on specific issues.

Bank staff may be present at Committee meetings as required based on the committee's invitation.

RESPONSIBILITIES OF THE COMMITTEE

According to the Terms of Reference (TOR) given by the Board to the BNAGC, the following are its key responsibilities:

- I. Establishing a procedure to select / appoint new Directors, Chief Executive Officer (CEO) and Key Management Personnel (KMP).
- II. Considering and recommending the re-election of current Directors, taking into account the performance and contribution made by the Director concerned towards the overall discharge of the Board's responsibilities.
- III. Setting the criteria such as qualifications, experience and key attributes required for eligibility to be considered for appointment or promotion to the post of CEO and the key management positions.

IV. Evaluate with the assistance of the HR function of the Bank that the Directors, CEO and KMP are fit and proper persons to hold office as specified and set out in the Banking Act and other relevant Statutes and in terms of the Directions issued by the Central Bank of Sri Lanka (CBSL) from time to time.

V. Considering and recommending from time to time, the requirements of additional/new expertise and the succession arrangements for retiring Directors and KMP.

The Quorum necessary for the transaction of business is three Members. The Board contains the required diversity with regard to composition, with expertise in banking, finance, legal, credit, investments and other diversified fields that enhance effective contribution to the overall Board performance. Currently, we do not have female Board members but we are working towards Board diversity.

FREQUENCY OF MEETINGS

The Committee is required to meet as and when necessary and at least four times during a financial year. There were six meetings held during the financial year and the attendance of the members is given under the Composition of the Committee.

REGULAR ATTENDEES BY INVITATION

Mr. Mohamed Azmeer (Managing Director/ CEO) attends BNAGC Meetings regularly.

PERFORMANCE DURING THE YEAR

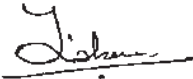
During the year 2024, the BNAGC held six meetings. As mandated under the Corporate Governance Direction issued by the Central Bank of Sri Lanka, the Committee also considered the appointment of Directors and the reappointment of Directors who retire by rotation in terms of the Articles of Association of the Bank.

In terms of Article 29(6) of the Articles of Association of the Bank one-third of the Directors on the Board shall retire by rotation. The executive directors are not be subject to retirement by rotation. The BNAGC recommends the re-election of the following Directors, who are coming up for re-election at the forthcoming Annual General Meeting.

Name of Director	Date of last re-election to the Board	Directorships held: current and preceding 3 years in listed companies	Close Family Member
1. Mr. Mohammed Ataur Rahman Chowdhury, (Non-Executive, Non-Independent Director)	2023 AGM	None	None
2. Mr. Syed Muhammed Asim Raza (Non-Executive, Non-Independent Director)	2023 AGM	None	None

In terms of Article 29(13) of the Articles of Association of the Bank any person appointed as a Director either to fill a casual vacancy or as an additional Director shall hold office until the next Annual General Meeting and shall then be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation as such meeting. Accordingly, the BNAGC recommends the following Directors who are coming up for re-election in terms of Article 29(13).

Name of Director	Date of Appointment	Directorships held: current and preceding 3 years in listed companies	Close Family Member
1. Mr. Delvin William Pereira (Non-Executive, Independent Director)	28 March 2024	N/A	None
2. Mr. Mohamed Zaheer Mohamed Azreen Non-Executive, Independent Director)	20 July 2024	N/A	None


Mr. Tishan Subasinghe
Chairman
Board Nomination and Governance Committee

20 February 2025

BOARD RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

COMPOSITION OF THE BOARD RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The Board Related Party Transaction Review Committee ("the Committee") was formed as a Board Sub-Committee with effect from 28 March 2016 in terms of the Code of Best Practice on Related Party Transactions issued by the Securities & Exchange Commission of Sri Lanka (SEC) and Section 9.14 of the Listing Rules of the Colombo Stock Exchange (CSE) and Section 3(7) of the Banking Act Directions No. 11 of 2007.

During the year under review the Committee comprised of the following Directors, which is in conformity with Section 9.14.2 of the Listing Rules of the CSE:

- ❖ Mr. Tishan Subasinghe – Chairman (Non-Executive, Senior Independent Director)
- ❖ Mr. Dilshan Hettiaratchi – Member (Non-Executive, Non-Independent Director)
- ❖ Mr. Delvin William Pereira - Member (Non- Executive, Independent Director)
- ❖ Mr. Mohamed Azmeer – Member (Managing Director/Chief Executive Officer)

During the year under review, Mr. Aaron Russell-Davison (Non-Executive, Independent Director) resigned from the Board of Amāna Bank PLC with effect from 31 January 2024. The Board appointed Mr. Delvin William Pereira - Non-Executive, Independent Director to the Board Related Party Transactions Review Committee with effect from 20 April 2024.

Subsequent to the Balance Sheet date, the Committee was reconstituted to comply with the Banking Act Directions No. 05 of 2024 on Corporate Governance for licensed

banks, section 6.6 (b) on Related Party Transactions Review Committee on 1 January 2025. Mr. Mohamed Zaheer Mohamed Azreen (Non-Executive, Independent Director) was appointed to the Committee as a member in place of Mr. Mohamed Azmeer – (Managing Director/Chief Executive Officer) who stepped down from the Committee with effect from 1 January 2025.

The profiles of the members of the Committee as at 31 December 2024 are given on pages 10 to 19.

REGULAR ATTENDEES BY INVITATION

During the year Mr. M. Ali Wahid (Chief Financial Officer) attended the Committee meetings regularly by invitation. In addition, the Committee summons other Management officials to participate in proceedings on a need basis.

MEETINGS

The Committee meets quarterly as stipulated by the regulations. During 2024, the Committee held five meetings. The attendance of the members is given below.

Member	Participated/Eligibility
Mr. Tishan Subasinghe	5/5
Mr. Dilshan Hettiaratchi	4/5
Mr. Aaron Russell-Davison	Resigned from the Board on 31 January 2024
Mr. Mohamed Azmeer	4/5
Mr. Delvin William Pereira	3/3

The Company Secretary functions as the Secretary to the Committee.

TERMS OF REFERENCE AND SCOPE OF OPERATIONS

The Committee operates under the Terms of Reference for monitoring Related Party Transactions, ensuring compliance with the Banking Act Directions, regulations and Determinations issued by the Central Bank, as well as the Listing Rules of the CSE. Additionally, a dedicated process is in place to identify and address specific requirements set out by the Central Bank concerning Related Party Transactions. The Committee determines that no Related Party has received any favourable nor preferential considerations vis-à-vis the other shareholders and customers of the Bank as well as it ascertains that their transactions and dealings are in strict conformity with Statutory and Regulatory requirements, which the Bank is obliged to adhere to.

The Terms of Reference of the Committee were amended on 17 February 2024 in line with Listing Rules of the CSE in discharging the obligations arising out of the Terms of Reference, the Committee adheres to the Bank's Policy and Procedures on Related Party Transactions when reviewing such transactions.

The Mandate of the Committee includes the following:

- ❖ Developing, updating and recommending for adoption by the Board of Directors of the Bank, a Related Party Transactions Policy consistent with that proposed by the SEC.
- ❖ Updating the Board of Directors on Related Party Transactions reviewed by the Committee on a quarterly basis.
- ❖ Advising the Board in making immediate market disclosures on applicable Related Party Transactions as required by Section 9.14 of the Continuing Listing Requirements of the CSE.

METHODOLOGY ADOPTED BY THE COMMITTEE

The Committee relies on the integrity of periodically reportable Related Party Transactions of Board Members, Key Management Personnel and other relevant individuals and entities based on the following:

- ❖ Confirmations from Business Heads on transactions entered into with Related Parties during each quarter.
- ❖ Analysis of terms to ensure that transactions have been at arm's length and no favourable treatment has been offered to the Related Party.

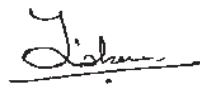
In addition, a declaration is obtained from the Directors at the time of appointment to the Board by the Company Secretary and thereafter a bi-annual declaration is obtained from the Board of Directors and Key Management Personnel of the details of the related parties, board members and Close family members Directorships

and shareholdings in other companies. Such declarations are used to flag a mandatory reference field (National Identity Card or Passport Number for individuals and Company Registration Number for companies) in the core-banking system, which in turn is synchronised with the Bank's AML/KYC system. Through this process, all transactions that take place within the Bank's physical network or digital platforms are automatically tracked and captured for Related Party reporting purposes. By adopting this system, the committee receives assurance that any potential inherent limitations that may arise from not being able to identify related party transactions are effectively addressed.

The Related Party Transactions during the year were reviewed by the Committee and relevant observations were communicated to the Board of Directors. A related party policy in line with the new Governance Rules of the Colombo Stock Exchange is in place.

REPORTING TO THE BOARD

The Minutes of the Committee Meetings are tabled at the immediately following Board Meeting enabling all Board Members to have access to same.



Tishan Subasinghe

Chairman-Board Related Party Transactions Review Committee

20 February 2025
Colombo

STATEMENT OF DIRECTORS' RESPONSIBILITY

The responsibility of the Directors, in relation to the Financial Statements of Amāna Bank PLC (Bank) is set out in this Statement. The responsibilities of the External Auditors in relation to the Financial Statements are set out in the Auditors' Report given on pages 234 to 237. In terms of Sections 150, 151 and 153 of the Companies Act No. 07 of 2007, the Directors of the Bank are responsible for ensuring that the Bank keeps proper books of account of all the transactions and prepare Financial Statements that give a true and fair view of the financial position of the Bank as at end of each financial year and of the financial performance of the Bank for each year and place them before a general meeting. The Financial Statements comprise of the Statement of Financial Position as at 31 December 2024, Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended and Notes thereto.

Accordingly, the Directors confirm that the Financial Statements of the Bank give a true and fair view of:

- (a) the financial position of the Bank as at reporting date; and
- (b) the financial performance of the Bank for the financial year ended on the reporting date.

The Financial Statements of the Bank have been certified by the Bank's Chief Financial Officer, the officer responsible for their preparation, as required by the Sections 150 and 152 of the Companies Act and the Chief Executive Officer.

In addition, the Financial Statements of the Bank have been signed by two Directors of the Bank on 20 February 2025 as required by the Sections 150 and 152 of the Companies Act. Under the Section 148 of the Companies Act, the Directors are also responsible for ensuring that proper accounting records which correctly record and explain the Bank's transactions are maintained and that the Bank's financial position, with reasonable accuracy, at any point of time is determined by the Bank, enabling preparation of the Financial Statements, in accordance with the Act to facilitate proper audit of the Financial Statements.

The Financial Statements for the year 2024, prepared and presented in this Annual Report are in agreement with the underlying books of accounts conforming with the requirements of the Sri Lanka Accounting Standards, Companies Act No. 07 of 2007, Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, Banking Act No. 30 of 1988 and amendments thereto and the Directions on Corporate Governance No. 11 of 2007 and amendments thereto issued by the Central Bank of Sri Lanka and the Continuing Listing Rules issued by the Colombo Stock Exchange.

In addition, these financial statements comply with the prescribed format issued by the Central Bank of Sri Lanka for the preparation of Annual Financial Statements of licensed commercial banks. The Directors have taken appropriate steps to ensure that the Bank maintains proper books of accounts and review the financial reporting system directly by them at their regular meetings and also through the Board Audit Committee. The Report of

the said Committee is given on pages 183 to 186.

The Board of Directors accepts responsibility for the integrity and objectivity of the Financial Statements presented in this Annual Report. The Directors confirm that in preparing the Financial Statements exhibited on pages 238 to 313 including appropriate Accounting Policies based on the new financial reporting framework, had been selected and applied in a consistent manner, while reasonable and prudent judgments have been made so that the form and substance of the transactions are properly reflected.

The Directors also have taken reasonable measures to safeguard the assets of the Bank and to prevent and detect frauds and other irregularities. In this regard, the Directors have instituted an effective and comprehensive system of internal controls comprising of internal checks, internal audit and financial and other controls required to carry on the business of banking in an orderly manner and safeguard its assets and secure as far as practicable, the accuracy and reliability of the records. The Directors' Statement on Internal Control over Financial Reporting is given on pages 171 and 172 of this Annual Report. The Board of Directors also wishes to confirm that, as required by the Sections 166 (1) and 167 (1) of the Companies Act, they have prepared this Annual Report in time and ensured that a copy thereof is sent to every shareholder of the Bank, who have expressed desire to receive a hard copy or to other shareholders who can access the Annual Report through the Bank's website. The Directors also wish to confirm that all shareholders have been treated equally in accordance with the original terms of issue.

The Bank's External Auditors, Messrs Ernst & Young who were appointed in terms of the Section 158 of the Companies Act and in accordance with a resolution passed at the last Annual General Meeting, were provided with every opportunity to undertake the inspections they considered appropriate. They carried out reviews and sample checks on the system of internal controls as they considered appropriate and necessary for expressing their opinion on the Financial Statements and maintaining accounting records.

They have examined the Financial Statements made available to them by the Board of Directors of the Bank together with all the financial records, related data and minutes of shareholders' and Directors' meetings and expressed their opinion which appears as reported by them on pages 234 to 237.

COMPLIANCE REPORT

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Bank, all contribution, levies and taxes payable on behalf of and in respect of the employees of the Bank, and all other known statutory dues as were due and payable by the Bank as at the reporting date have been paid or, where relevant, provided for. The Directors further confirm that after considering the financial position, operating conditions, regulatory and other factors and relevant matters the Directors have a reasonable expectation that the Bank possesses adequate resources to continue in operation for the foreseeable future. For this reason, the Directors continue to adopt the Going Concern basis in preparing the Financial Statements.

The Directors are of the view that they have discharged their responsibilities as set out in this Statement.

By Order of the Board,
AMĀNA BANK PLC



Shaheela Shibly
Company Secretary

20 February 2025
Colombo

INDEPENDENT SHARIA SUPERVISORY COUNCIL REPORT

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الحمد لله رب العالمين، والصلاة والسلام على رسوله الكريم وعلى آله وأصحابه أجمعين

السلام عليكم ورحمة الله وبركاته

In adherence to our role as the Sharia Supervisory Council (SSC), we present the following report on the Bank's operations for the financial year ended 31 December 2024.

The Board of Directors and Management hold the primary responsibility for upholding Sharia rules and principles within the Bank's operations. Our duty involves an impartial assessment, achieved through five (5) meticulously conducted meetings throughout the financial year.

These meetings focused on scrutinizing and reviewing various contracts associated with the Bank's transactions and applications, as well as a detailed examination of transaction types, relevant documentation, and the Bank's procedural protocols.

The objective of the review was to gather pertinent information and explanations, ensuring reasonable confidence that the Bank adhered to Sharia rules without violation.

Based on our assessment:

1. **Contracts and Transactions:** The contracts, transactions, and dealings conducted by the Bank throughout the financial year align with Sharia rules and principles.
2. **Profit Allocation and Loss Handling:** The Bank's handling of profit allocation and losses related to Investment Accounts adheres to the criteria previously authorized by us, in accordance with Sharia rules and principles.
3. **Charitable Allocation:** Earnings obtained from impermissible sources were directed towards charitable purposes following our approval, aligning with Sharia guidelines.

In conclusion, the Bank has demonstrated a commitment to Sharia compliance in its financial operations during the specified period.

وعليكم السلام ورحمة الله وبركاته

Allah Knows Best.

Ash-Sheikh Dr. Mufti Muhammad Imran Ashraf Usmani
Chairman

Ash-Sheikh Mufti M.I.M. Rizwe
Member

Ash-Sheikh Mufti Muhammad Hassaan Kaleem
Member

ස්වාධීන ශරියා අධීක්ෂණ සභා වාර්තාව

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الحمد لله رب العالمين، والصلاة والسلام على رسوله الكريم وعلى آله وأصحابه أجمعين

السلام عليكم ورحمة الله وبركاته

ස්වාධීන ශරියා අධීක්ෂණ සභාව වශයෙන් අප වෙත පැවරී ඇති බලතල සහ කාර්යභාරය ඉටුකරමින්, 2024 දෙසැම්බර් 31 දිනයෙන් අවසන් වූ මූල්‍ය වර්ෂය සඳහා අමානා බැංකුවේ මෙහෙයුම් කටයුතු සම්බන්ධ අපගේ වාර්තාව මෙසේ ඉදිරිපත් කරන්නෙමු.

ශරියා නීතිරීති සහ මූලධර්ම වලට අනුව බැංකුවේ සියලු මෙහෙයුම් කටයුතු හැසිරවීමේ මූලික වගකීම එහි අධ්‍යක්ෂ මණ්ඩලය සහ කළමනාකාරීත්වය සතු ය. එහිදී, අදාළ මූල්‍ය වර්ෂය තුළ විධිමත්ව පවත්වන ලබන හමුවීම් 5 ක් මගින් එම මෙහෙයුම් පිළිබඳ ස්වාධීන සමාලෝචනයක් සිදු කර ඒ පිළිබඳ වාර්තාවක් ඉදිරිපත් කිරීම අපගේ වගකීම වේ.

එම හමුවීම් මගින් බැංකුවේ ගනුදෙනු හා භාවිතාවන් සම්බන්ධ විවිධාකාර ගිවිසුම් සියුම් විශ්ලේෂණයකට ලක්කෙරෙන අතර, එහිදී එම ගනුදෙනු, ඒවාට අදාළ ලිපිලේඛන සහ බැංකුවේ ක්‍රියාපටිපාටිමය විධිවිධානද පුළුල් පරීක්ෂාවකට ලක් වේ.

මෙම සමාලෝචනයේ අරමුණ වන්නේ, බැංකුව විසින් සිය මෙහෙයුම් ක්‍රියාත්මක කරවීමේදී ශරියා නීතිරීති, මූලධර්ම, සහ අප විසින් නිකුත් කරන ලද විශේෂ නියමයන් සහ මගපෙන්වීම් උල්ලංඝනය නොකරන බව තහවුරු කරගැනීම ය.

ඒ අනුව එම විශ්ලේෂණය මගින් අපගේ තක්සේරුව වන්නේ:

1. ගිවිසුම් හා ගනුදෙනු: බැංකුව විසින් අදාළ වර්ෂය තුළ එළඹෙන ලද ගිවිසුම්, සිදුකරන ලද මූල්‍යමය ගනුදෙනු සහ අනෙකුත් ගනුදෙනු ශරියා නීතිරීති සහ ප්‍රතිපත්ති වලට අනුකූලව සිදු කර ඇත.
2. ලාභාංශ වෙන්කිරීම සහ අලාභ කළමනාකරණය: ආයෝජන ගිණුම් ආශ්‍රිතව බැංකුව ලාභාංශ වෙන්කිරීම සහ අලාභ කළමනාකරණය කරගැනීම් සිදුකර ඇති ආකාරය, ශරියා නීතිරීති සහ ප්‍රතිපත්ති වලට අනුව අප විසින් පෙර අනුමත කරන ලද නිර්ණායක වලට අනුකූලව සිදු කර ඇත.
3. පුණ්‍ය කටයුතු සඳහා ප්‍රතිපාදන වෙන්කිරීම: ශරියා නීතිරීති මගින් අනුමත නොකරන ප්‍රභවයන් ආශ්‍රිත ඉපයීම් මගින් උපලබ්ධි වූ සියලු උපයාගැනීම් අපගේ අනුමැතිය මත, පුණ්‍යාධාර කටයුතු වෙත බෙදාහරින ලදී.

ඒ අනුව, අදාළ කාලසීමාව තුළ බැංකුව තම මූල්‍යමය මෙහෙයුම් කටයුතු ශරියා නීතියට අනුකූලව සිදු කර ඇති බව අපගේ නිගමනය වේ.

وعليكم السلام ورحمة الله وبركاته

අල්ලාහ් දෙවියන් සියල්ල දන්නේ ය.



අග් -සෙයික් ආචාර්ය මුර්ති මුහම්මද් ඉම්රාන් අෂ්රෆ් උස්මානි
සභාපති



අග් -සෙයික් මුර්ති එම්. අයි. එම්. රිස්වි
සාමාජික



අග් -සෙයික් මුර්ති මුහම්මද් හස්සාන් කලීම්
සාමාජික

சுயாதீன ஷரிஆ மேற்பார்வை சபை அறிக்கை

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الحمد لله رب العالمين، والصلاة والسلام على رسوله الكريم وعلى آله وأصحابه أجمعين

السلام عليكم ورحمة الله وبركاته

ஷரிஆ மேற்பார்வை சபை என்ற எமது பொறுப்புக்கு அமைவாக, 31 டிசம்பர் 2024 இல் நிறைவடைந்த நிதியாண்டிற்கான வங்கியின் செயற்பாடுகளில் பின்வரும் அறிக்கையினை நாம் சமர்ப்பிக்கின்றோம்.

வங்கியின் செயற்பாடுகளில் ஷரிஆ விதிகள் மற்றும் கொள்கைகளை நிலைநிறுத்துவதற்கான பிரதான பொறுப்பினை பணிப்பாளர்கள் சபையும் முகாமைத்துவமும் கொண்டுள்ளன. எமது கடமையானது நிதியாண்டு முழுவதும் உன்னிப்பாக நடாத்தப்பட்ட ஐந்து (5) கூட்டங்களினூடாக அடையப்பெற்ற ஒரு நடுநிலையான மதிப்பீட்டினை உள்ளடக்குகின்றது.

இந்த கூட்டங்கள், வங்கியின் கொடுக்கல் வாங்கல்கள் மற்றும் செயல்முறையுடன் இணைந்த பல்வேறு ஒப்பந்தங்களை ஆராய்தல், கொடுக்கல் வாங்கல் வகைகள், உரிய ஆவணங்கள் மற்றும் வங்கியின் செயற்பாடுமுறை சார்ந்த நெறிமுறைகளின் விரிவான பரிசோதனை என்பவற்றில் முன்னிறுத்தம் செய்தன.

மீளாய்வின் குறிக்கோளானது, வங்கி எவ்விதமான மீறலுமின்றி ஷரிஆ விதிகளை கடைப்பிடித்துள்ளது என்ற நியாயமான நம்பகத்தன்மையினை உறுதிசெய்தல், பொருத்தமான தகவல்கள் மற்றும் விளக்கங்களை திரட்டுதல் என்பவையாகும்.

எமது மதிப்பீட்டின் அடிப்படையில்:

1. **ஒப்பந்தங்கள் மற்றும் கொடுக்கல் வாங்கல்கள்:** நிதியாண்டு முழுவதும் வங்கியினால் மேற்கொள்ளப்பட்ட ஒப்பந்தங்கள், கொடுக்கல் வாங்கல்கள் மற்றும் வர்த்தகங்கள் ஷரிஆ விதிகள் மற்றும் கொள்கைகளுடன் இணங்கியுள்ளன.
2. **இலாப ஒதுக்கீடு மற்றும் நட்டக் கையாளுகை:** முதலீட்டுக் கணக்குகள் தொடர்பான இலாப ஒதுக்கீடு மற்றும் நட்டங்களில் வங்கியின் கையாளுகையானது, ஷரிஆ விதிகள் மற்றும் கொள்கைகளின் பிரகாரம், முன்னர் எம்மால் அங்கீகரிக்கப்பட்ட வரைமுறைகளுடன் இணங்கியுள்ளன.
3. **அறக்கட்டளை ஒதுக்கீடு:** ஷரிஆ வழிகாட்டல்களுக்கு அமைவாக அனுமதிக்கவியலாத மூலங்களிலிருந்து பெறப்பட்ட வருமானங்கள் எமது அங்கீகாரத்தினை தொடர்ந்து அறக்கட்டளை நோக்கங்களுக்காக பயன்படுத்தப்பட்டன.

நிறைவாக, குறிப்பிட்ட காலத்தின்போது வங்கியானது அதன் நிதியியல் செயற்பாடுகளில் ஷரிஆ இணக்கப்பாட்டிற்கான அர்ப்பணிப்பினை நிரூபித்துள்ளது.

وعليكم السلام ورحمة الله وبركاته

அல்லாஹ் சரியானதை அறிவான்.



அஷ்-ஷெய்க் கலாநிதி. முப்தி முஹம்மத் இம்ரான் அஷ்ரப் உஸ்மானி
தலைவர்



அஷ்-ஷெய்க் முப்தி எம். ஐ. எம். ரிஸ்வி
அங்கத்தவர்



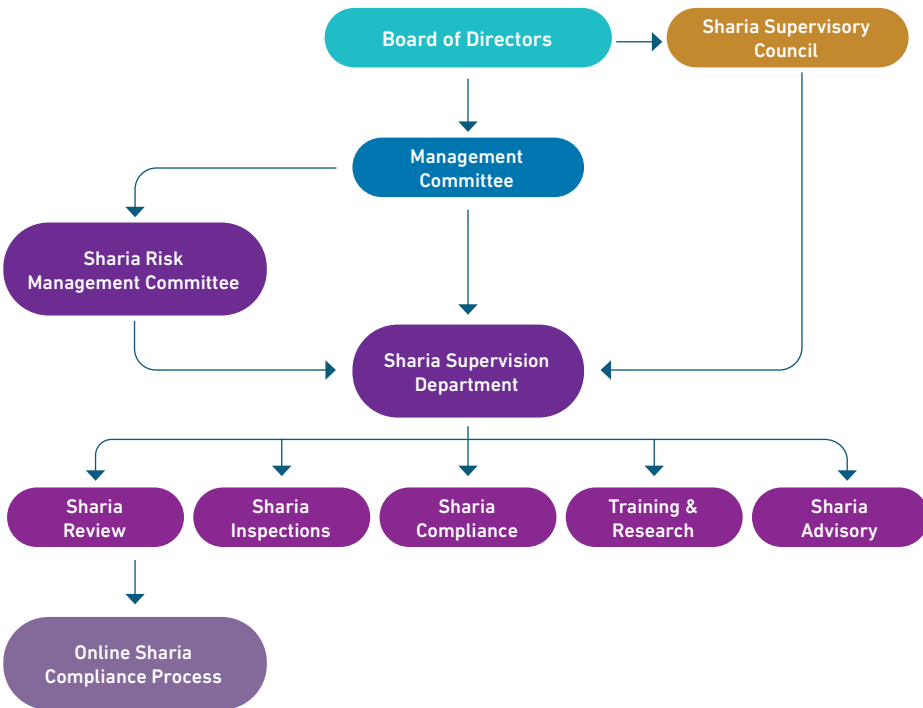
அஷ்-ஷெய்க் முப்தி முஹம்மத் ஹஸ்ஸான் கலீம்
அங்கத்தவர்

SHARIA GOVERNANCE REPORT

The keystone of the unique business model of Amāna Bank PLC rests on the compliance to the Sharia rules and principles which is the foundation for the practice of Islamic banking. Therefore, the Bank has placed great importance in ensuring that the overall operations are in accordance with the Sharia rules and principles.

In this regard, the Bank has established a Sharia Governance Framework with the Sharia Supervisory Council (SSC) functioning as the apex body with regards to Sharia matters. The standard issued by the Islamic Financial Services Board (IFSB), namely IFSB-10 (2009) Guiding Principles on Sharia Governance Systems for Institutions Offering Islamic Financial Services (IIFS) are taken into consideration in operating the Sharia Governance Framework of the Bank. A detailed report on the compliance status of Sharia Governance of the Bank to IFSB10 is depicted at the end of this report.

The diagram below describes the framework:



SHARIA SUPERVISORY COUNCIL (SSC)

The SSC functionally reports to the Board of Directors (BOD). The roles and responsibilities of the SSC are spelt out in its Terms of Reference (TOR). The SSC is assisted by the Sharia Supervision Department that performs compliance functions, namely Sharia Advisory, Training and Research, Sharia Compliance, Sharia Inspections and Sharia Review. At the management level, the Bank has established the Sharia Risk Management Committee (SRMC) which is a Sub-Committee of the Management Committee to discharge the responsibilities of management on Sharia Compliance.

The SRMC is chaired by the Head of Sharia Supervision and its membership comprises of several management members.

COMPOSITION OF THE SSC

The SSC shall comprise of the minimum three (3) members. As at 31 December 2024, the SSC has three (3) members comprising of one (1) local members and two (2) foreign scholars coming from diverse backgrounds with wide experience and knowledge. SSC members are experts in their specialised field such as Islamic law, Islamic Banking, Capital Market, Takaful, Waqf, Zakat, Halal industry, etc. Additionally, their qualification in Islamic jurisprudence (usul al-fiqh) and Islamic commercial laws (fiqh al-mu'amalat), expertise and vast experience in the academia, definitely support the depth and breadth of the Sharia deliberations.

RESPONSIBILITIES OF THE BANK TOWARDS SSC AND SHARIA COMPLIANCE

While the SSC is responsible for forming and expressing decisions on the Bank's compliance with the Sharia rules and principles, the responsibility for compliance therewith rests with the Board and management of the Bank.

Therefore, it is the responsibility of the Management to perform the following:

- (i) to refer all Sharia issues in its business operations to the SSC for decision;
- (ii) to adopt and take necessary measures for implementation of the SSC's decisions;
- (iii) to provide sufficient resources to the SSC including budget allocation, independent expert consultation, reference materials and training;

- (iv) to ensure that the SSC is familiar with the operations and the business of the Bank;
- (v) to provide the SSC with access to all relevant records, transactions, manuals and information, as required by its members in performing their duties; and
- (vi) to recommend the appropriate remuneration to the SSC members which commensurate with and reflect the duties and responsibilities of the SSC.

It is the Bank's responsibility to perform the following with regard to Sharia Compliance:

- (i) to comply with SSC decisions and established Sharia requirements in all its products, services, legal documentations and activities; and
- (ii) the Bank shall not act in contravention to the SSC decisions to suit its convenience.

AUTHORITY OF THE SSC

The SSC assumes the following authority based on its Terms of References (TOR):

- (i) the decision of the SSC is binding on the Bank, whilst its recommendation is not binding on it.
- (ii) the SSC has the right to check the Assets and Liabilities of the Bank.
- (iii) the SSC has the right to review the Bank's books, registers and documents at any time and it shall have the right to request to check any data it deems necessary.
- (iv) in the event the Bank is unable to provide information requested, which results in the SSC's inability to carry on its role and responsibilities, SSC will submit a written report to the Board of Directors and may demand that a meeting of the Shareholders be convened.

Date of Meeting	Percentage of Members' Attendance
7 June 2024	100%
25 September 2024	100%
23 December 2024	100%

In between the meetings, the Bank refers its Sharia issues in its daily operations to the Executive Committee (ExCom) of the SSC that is comprised of two (2) appointed members for guidance and the decision. The decisions taken by the Executive Committee are tabled in the SSC meeting for concurrence. The Executive Committee members Ash-Sheikh Mufti Muhammad Hassaan Kaleem and Ash-Sheikh Mufti M I M Rizwe. Two (2) ExCom meetings were held during the financial year ended 31 December 2024, as follows:

Date of Meeting	Percentage of Members' Attendance
7 June 2024	100%
4 November 2024	100%

APPOINTMENT AND RE-APPOINTMENT OF SSC MEMBERS

- (i) The shareholders of the Bank shall appoint the members of the SSC based on the recommendation made by the Board of Directors.
- (ii) Each member of the SSC shall have a term of office of three (3) year as appointed by the shareholders. Upon expiry of such term, the members may be reappointed at the approval of the shareholders in conformity with the governance standards defined by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI)'s Governance Standard "Appointment and Composition."

- (iii) Notwithstanding the above, the Board of Directors may appoint new members to the posts which become vacant in the SSC during the year, subject to the approval of the shareholders at the subsequent Annual General Meeting.

IFSB-10 (2009), GUIDING PRINCIPLES ON SHARIA GOVERNANCE SYSTEMS FOR IIFS

The IFSB-10 defined "Sharia Governance System" as a set of institutional and organisational arrangements through which an IIFS ensures that there is effective independent oversight of Sharia compliance over each of the following structures and processes:

- a) issuance of relevant Sharia pronouncements/ resolutions;
- b) dissemination of information on such Sharia pronouncements/resolutions to the operative personnel of the IIFS who monitor the day-to-day compliance with the Sharia pronouncements/resolutions vis-à-vis every level of operations and each transaction;
- c) an internal Sharia compliance review/ audit for verifying that Sharia compliance has been satisfied, during which any incident of non-compliance will be recorded and reported, and as far as possible, addressed and rectified;
- d) an annual Sharia compliance review/ audit for verifying that the internal Sharia compliance review/audit has been appropriately carried out and its findings have been duly noted by the Sharia board;

Guiding Principle Status

Part I:	General Approach to the Sharia Governance System	
Principle 1.1:	The Sharia governance structure adopted by the IIFS should be commensurate and proportionate with the size, complexity and nature of its business.	(a) A detailed Sharia Governance Framework is adopted by the Bank, which (b) sets the SSC as the apex body with regards to Sharia matters. (c) The SSC has wide ranging rights of access to every activity of the Bank. (d) The SSC comprises of three (3) members where two (2) of them are appointed as Executive Committee members to ensure timely adequate access to the Bank. (e) The Bank has established a Sharia Supervision Department (SSD), led by the Head of Sharia Supervision to assist SSC in providing daily guidance to the Bank. As the principal Sharia officer of the Bank and the Secretary of the SSC, he chairs the Sharia Risk Management Committee (SRMC) to discharge the responsibilities of management on Sharia Compliance
Principle 1.2:	Each IIFS must ensure that the Sharia board has: clear terms of reference regarding its mandate and responsibility; well-defined operating procedures and lines of reporting; and good understanding of, and familiarity with, professional ethics and conduct.	(a) A detailed Terms of Reference (TOR) spells out the roles and responsibilities of the SSC. (b) The TOR outlines operating procedures and lines of reporting that includes having an internal SSD comprising of officers with appropriate qualifications and experience. The SSD is; ❖ the secretariat to the SSC and serves as the first point of reference for Sharia compliance issues, with an advisory/ consultancy role delegated by the SSC; ❖ handle the processing and secretarial matters relating to issues to be raised to the SSC; and ❖ provide input for executive decisions to be made by the senior management. (c) The SSC comprises of respected and accepted scholars with high standard of professional ethics and conduct.

Guiding Principle Status

Part II: Competence	
Principle 2.1:	The IIFS shall ensure that any person mandated with overseeing the Sharia Governance System fulfils acceptable fit and proper criteria. The members of the SSC and Head of Sharia Supervision being the principal Sharia officer have met the "Fit and Proper" criteria which covers; ❖ good character-that is, honesty, integrity, fairness and reputation; and ❖ competence, diligence, capability and soundness of judgment.
Principle 2.2:	The IIFS shall facilitate continuous professional development of persons serving on its Sharia board, as well as its ISCU and ISRU, if any. In view of continuous professional development of the SSC members, the Bank shall invest for their personal knowledge development programme as required.
Principle 2.3:	There should be a formal assessment of the effectiveness of the Sharia board as a whole and of the contribution by each member to the effectiveness of the Sharia board. There is a formal assessment on the effectiveness of the SSC carried out on annual basis.
Part III: Independence	
Principle 3.1:	The Sharia board should play a strong and independent oversight role, with adequate capability to exercise objective judgment on Sharia-related matters. No individual or group of individuals shall be allowed to dominate the Sharia board's decision making. (a) The independence of the SSC is clearly spelt out in the TOR of the SSC and continued to be respected by the Board of Directors and the Management of the Bank. (b) None of the members of the SSC have blood or intimate relationship with the Bank, its related companies or its officers. (c) None of the members of the SSC are under full-time employment of the Bank or its related companies. (d) None of the members of the SSC, or his or her immediate family member, is accepting any compensation or financing from the Bank or any of its subsidiaries other than compensation for service on the SSC. (e) None of the members of the SSC, their immediate family members, are a substantial shareholder of or a partner in (with a stake of 5% or more), or an executive officer of, or a Director of any for-profit business organisation to which the Bank or any of its subsidiaries made, or from which the Bank or any of its subsidiaries received, significant payments in the current or immediate past financial year.

Guiding Principle Status

Principle 3.2:	In order to fulfil their responsibilities, the Sharia board should be provided with complete, adequate and timely information prior to all meetings and as an on-going basis.	(a) The SSD which has a direct reporting line to the SSC is entrusted with providing timely and accurate information. (b) Being a direct report, the SSC has direct access to the SSD to check whether internal control and compliance procedures have been appropriately followed and that applicable rules and regulations to which the Bank is subject to have been complied with. (c) Such controls were reviewed through the Risk Control and Self-Assessment (RCSA) exercise. (d) According to the TOR of the SSC, in the event the Bank is unable to provide information requested, which results in the SSC's inability to carry on its role and responsibilities, the SSC will submit a written report to the Board of Directors and may demand that a meeting of the Shareholders be convened.
Part IV:	Confidentiality	
Principle 4.1:	Sharia board members should ensure that internal information obtained in the course of their duties is kept confidential.	A confidentiality clause is incorporated in the TOR of the SSC.
Part V:	Consistency	All decisions, pronouncements and resolutions of the SSC have been arrived at on consensus of the members.
Principle 5.1:	The IIFS should fully understand the legal and regulatory framework for issuance of Sharia pronouncements/ resolutions in the jurisdiction where it operates. It should ensure that its Sharia board strictly observes the said framework and, wherever possible, promotes convergence of the Sharia governance standards.	The SSC takes due care in the dissemination of Sharia pronouncements/resolutions, ensuring that the business intelligence and internal information of the Bank would not be exploited by inappropriate parties.

RISK MANAGEMENT REPORT

RISK MANAGEMENT APPROACH

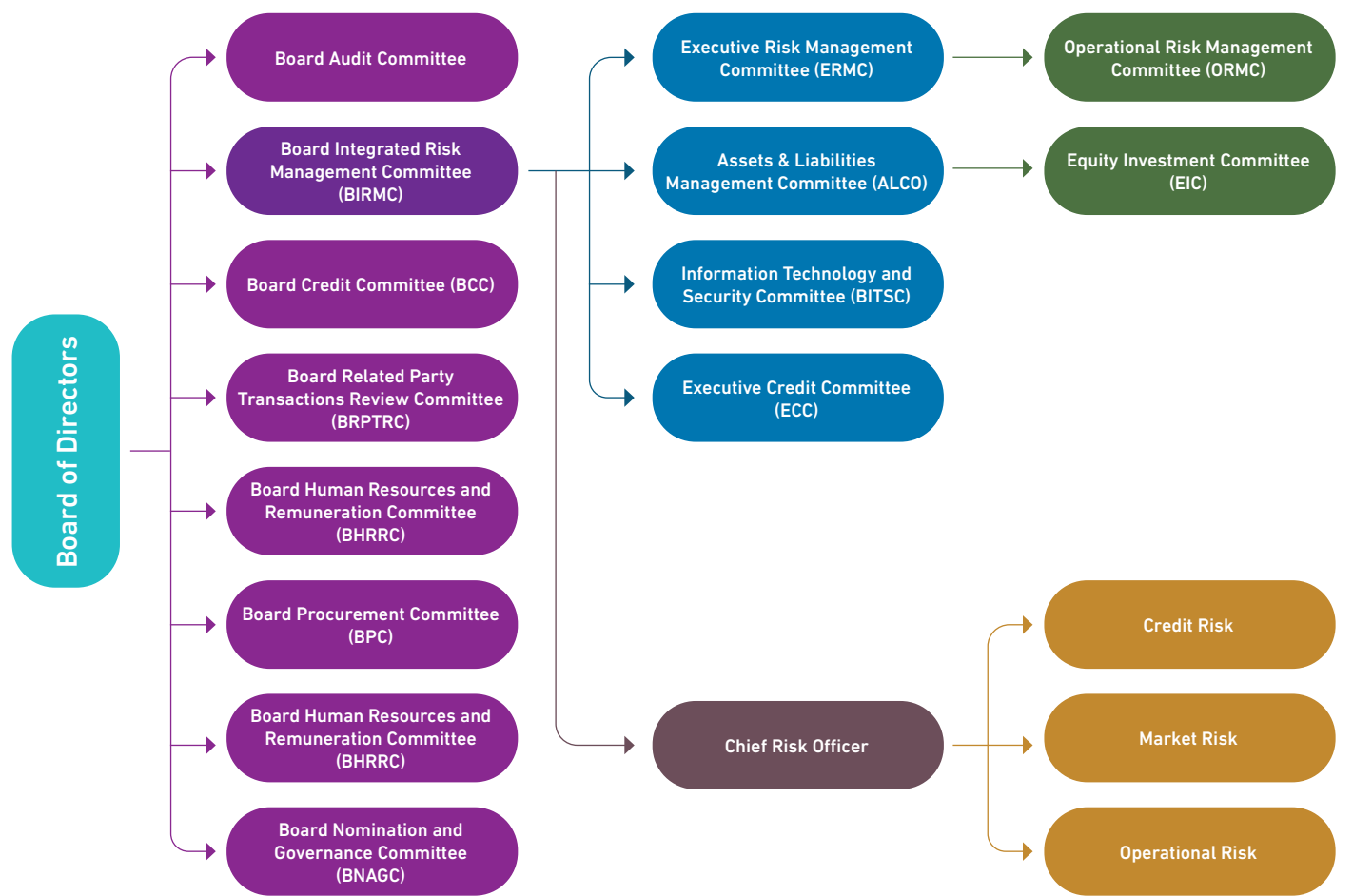
Amāna Bank’s principle approach to risk management is underpinned by an Integrated Risk Management Framework that integrates risk management across its operations to support the achievement of strategic business objectives and meeting stakeholder expectations, while effectively navigating challenges within the Bank’s risk universe.

This framework, which is consistent with the size and complexity of the Bank’s operations, represents a 360 degree approach to identify, assess, prioritize and mitigate emerging and inherent risks associated with business activities.

RISK GOVERNANCE STRUCTURE

Central to Amāna Bank’s approach is the Bank’s Risk Governance Framework. The framework provides the necessary structure to promote risk-conscious behaviours, thereby ensuring proper accountability for risk across all functions.

The Board of Directors, as the Bank’s highest governing authority, holds ultimate responsibility for the effective implementation of the Integrated Risk Management Framework. The Board discharges its Risk Management responsibilities through a structured governance mechanism.



RISK MANAGEMENT TOOLS

Amāna Bank's Integrated Risk Management Framework is underpinned by several key tools that collectively ensure effective risk identification, mitigation, and monitoring. These tools provide the basis for aligning risk-taking activities to achieve strategic objectives and safeguard stakeholder interests.

1. Risk Appetite Statement (RAS)

The Risk Appetite Statement articulates the levels and types of risks the Bank is prepared to take in pursuit of its strategic objectives. The RAS contains prudential tolerance levels to facilitate effective decision-making and resource allocation.

In the year under review, the Board together with the BIRMC reviewed and updated the Bank's RAS to reflect the latest regulatory and best practices.

Amāna Bank Risk Appetite Statement (RAS) and Risk Tolerance Levels for 2024

	Bank will maintain a positive outlook at all times.
Bank Wide Level	Minimum Capital Adequacy Ratio (CAR – Pillar I & Pillar II) should not be below the regulatory requirement which is 12.5% at present.
	4% annual growth.
Credit Risk	Impaired financing and advances (Stage 3) ratio to be less than 5% of Financing Portfolio or industry average whichever is less.
Market Risk	Maximum USD 5 Million.
Operational Risk	Operational Risk Losses (Annual in LKR Mn) to be maintained at maximum of 1 Percent of Total Operating Profits After Impairment (Annual in LKR Mn).
	Zero Tolerance.
	Operate within thresholds of Key Risk Indicators (KRI).
Concentration Risk	The Bank will restrict its exposure to a prudential upper limit of 25% and 30% of the capital base for a single entity and a group respectively.
	Exposure to top 20 borrowers will not exceed 35% of Gross Advances Portfolio.
	The Bank to maintain a 30% upper limit on credit facilities which exceed a tenor of three years.
	And upper limit of 20% on facilities exceeding a tenor of 5 years of the total credit portfolio.
	Limit granting of facilities to lower graded customers, Bank will strive to maintain its exposures to 'D' category i.e. 'Acceptable', below 10% of total portfolio.
	Bank shall maintain SRR at 2% (fortnightly basis).
	Assessing the Bank's cash inflows against its outflows to identify the potential for any net shortfalls.
Liquidity Risk	The Maximum Cash Outflow limits established shall be based on the local liquidity stress test results and reviewed on a regular basis.
	Maximum cash outflow gap (for Overnight and 1 Month Bucket) % (=Liabilities - Assets/ Liabilities) of 20% (negative gap)
	Capital and deposits are key components of the Bank's core funding - Advance to Deposit ratio ideally to be maintained in line with Board approved Strategic Plan.
	The Bank will maintain its LCR at a minimum of 100% as required by Basel III with a Prudential limit of 110%.
	The Bank will maintain its NSFR at a minimum of 100% as required by Basel III with a Prudential limit of 110%.
Rate Risk	Max sensitivity (loss) of 10% of capital due to a 2% change in market rate.
Compliance Risk	The Bank will maintain its LCR as required by Basel III with a Prudential limit of 110%.
	The Bank will maintain its NSFR as required by Basel III with a Prudential limit of 110%.

Risk Management Report *Contd.*

2. Policies and Procedures

A comprehensive set of risk management policies and procedures embed regulatory requirements, best practices, and accountability within the Bank's operational framework and act as a reference for employees to manage risks effectively and consistently across all business functions.

Following the periodic review of existing policy and procedures by the BIRMC, several existing policies were updated in the current year. Additionally, in compliance with the provisions of the CSE's listing rules on corporate governance, the existing Integrated Risk Management Framework was reviewed and enhanced to incorporate additional key control measures and risk indicators. These enhancements are designed to strengthen internal controls as required by the CSE and have been formally approved by the Board in 2024.

Market Risk and Liquidity Risk Policies and Procedures reviewed and updated in 2024	Treasury Policy, Foreign Exchange Policy Treasury Back Office Policy Risk Middle Office Policy Treasury Risk limits Equity Investments Policy
Credit Risk Policies and Procedures reviewed and updated in 2024	Loan Review Mechanism (LRM) policy Valuation Policy Revival and Rehabilitation policy
Operational Risk Policies and Procedures reviewed and updated in 2024	Operational Risk Management Policy Operations Procedure Manual Operational Risk Procedure Manual
Information Security Risk Policies and Procedures reviewed and updated in 2024	Information System Security Policy Information System Security Procedure Information System Security Policies - Acceptable Use, Email & Internet Mobile Device Policy Mobile Payment Application Policy
Other Policies and Procedures reviewed and updated in 2024	Anti-Money Laundry (AML) Policy Marketing and Corporate Communication Policy Policy for Sustainable Banking Initiatives Financial Consumer Protection Policy Whistle blowing Policy Procurement Policy Outsourcing Policy

3. Stress Testing

Stress testing evaluates the Bank's ability to withstand adverse financial and economic scenarios. By simulating extreme yet plausible events, this tool identifies potential vulnerabilities and guides the development of contingency plans. Stress testing enhances the Bank's preparedness for unforeseen risks, ensuring financial stability and long-term sustainability.

4. Risk Awareness Culture

A strong risk awareness culture is fundamental to the Bank's risk management framework. By fostering a culture where employees at all levels understand and prioritize risk management, the Bank ensures proactive identification and mitigation of risks. Training, communication, and leadership reinforcement embed risk-conscious behaviors into daily operations, strengthening the organization's resilience and adaptability.

5. ICAAP

The ICAAP is a critical framework adopted by the Bank to evaluate and ensure the maintenance of sufficient capital to cover material risks. It is an iterative process which involves ongoing risk assessments on the Bank's portfolio of risk exposures, risk management practices to identify material risks that are inherent to the Bank's business activities. This process will determine the minimum internal capital requirement in correlation with the Bank's current and future business strategies and financial plans for the next three years, while satisfying current regulatory requirements.

The ICAAP is a mandatory requirement for all licensed commercial banks in Sri Lanka who are required to submit the Board approved ICAAP report to the CBSL within five months of the conclusion of the financial year end.

Amāna Bank Risk Management Division (RMD) carried out the ICAAP on an ongoing basis throughout the current year with all required risk assessments to determine the need for capital planning measures to support intended operations under both normal and stressed conditions. The ICAAP assessments for 2024 included risks covered under Pillar I (i.e. Credit Risk, Market Risk and Operational Risk), Pillar II risks such as Concentration Risk, Rate Risk, Exchange Risk, Downgrade Risk and Liquidity Risk, were also assessed, along with other qualitative risk assessments for Compliance Risk, Reputational Risk, Strategic Risk, and People Risk that were carried out through risk scorecards. More emphasis was placed on stress testing with additional scenarios being included based on varying degrees of severity considering the financing portfolio's Stage 3 Impairment levels as well as macroeconomic indicators. In the year under review, the ICAAP report for 2023 was approved by the Board and submitted to CBSL ahead of the stipulated timeline.

Amāna Bank's Capital Adequacy Ratio (CAR) for 2023 and the 3-year forecast, were met comfortably even after continuous stress levels, against the minimum requirement of 12.5%.

6. Recovery Plan (RCP)

The Bank's integrated risk management framework was further strengthened in 2024 with the roll out of the formally documented RCP in full compliance with the regulatory requirements set forth by CBSL in 2021. The RCP details action plans in the event of shocks to capital, liquidity and all other aspects that may arise as a consequence of internal/external stresses or a combination of both. To enhance its implementation and oversight, a dedicated RCP team comprising cross-functional representatives from the Bank's top management was established in 2024.

The responsibilities of each member of RCP team and scope of work of the RCP team were formally approved by the Board of Directors in December 2024 through the RCP document. In adherence to CBSL regulations, the RCP will be subject to an annual review to ensure its continued relevance and effectiveness in managing the Bank's risk landscape

A comprehensive Risk Dashboard, which covers Credit Risk, Market Risk, Operational Risk, Concentration Risk, Strategic Risk and rate risk is distributed to the BIRMC on a monthly basis for evaluation. New Key Risk Indicators KRIs and Key Control Indicators KCIs are developed based on historical data, scenario analysis, and potential risk exposures identified through the ongoing risk assessment process, ensuring a dynamic and responsive approach to Integrated risk management.

MANAGING KEY RISKS

1. Credit Risk

Credit risk refers to the potential loss the Bank may incur when a counter-party fails to fulfill its obligations as per the agreed terms, or when their ability to meet such obligations is impaired, leading to a financial loss for the Bank.

Amāna Bank has established a well-structured credit risk management process to support prudent risk-taking to support the Bank's growth objectives, while safeguarding the quality of the Bank's credit portfolio in line with the Board approved RAS and risk tolerance levels.

1.1 Managing Credit Risk

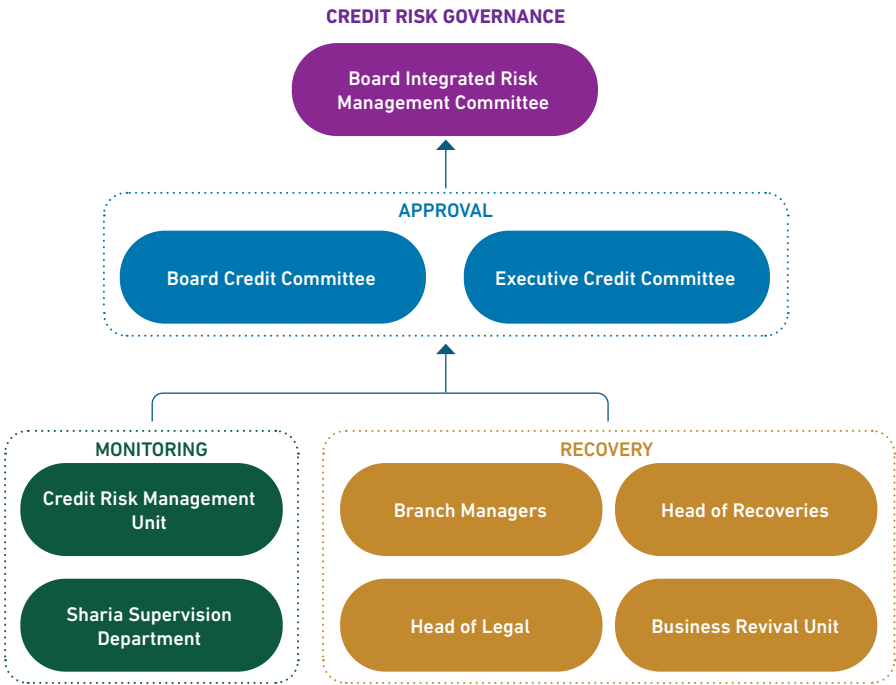
The Board-approved Credit Policy, Credit Risk Appetite, and Credit Procedure Manual, together provide the framework for the effective management of Credit Risk. The framework sets clear risk boundaries within which credit activities are conducted, and establishes detailed criteria for evaluating the creditworthiness of counter-parties to ensure consistency and rigour in decision-making. Additionally, it identifies prohibited areas of business to avoid exposure to high-risk or non-compliant activities.

1.2 Financing Approach

Amāna Bank's approach to mitigating credit risk is primarily based on customers' strength to generate cash flows supported by various types of collateral that is obtained as part of the overall financing process. Although the Bank's business model is mostly asset-backed, the emphasis on customers' cash flow generation ranks higher to ensure that asset quality is maintained at desired levels.

Eligible collateral has clear guidelines for acceptability and valuation. The fair value of financial assets provided as collateral is assessed at inception in accordance with the Valuation Policy. For non-financial collateral, such as immovable assets like real estate, initial valuations are typically conducted by independent professional valuers to ensure accuracy and objectivity. Subsequent valuations of immovable assets follow the Bank’s valuation policy, which prescribes a standardised approach based on the use of available market data, to maintain consistency and reliability in the valuation process. This is accompanied by standardised procedures to evaluate credit proposals submitted by business units, to assess the financial status and repayment capacity of potential customers.

While primarily adhering to the above approach of financing policy, Amāna Bank, at its discretion, extends non-collateral-based financing to large companies with proven financial stability and a demonstrated ability to maintain consistent cash flows over time. In such cases, the Bank evaluates the customer’s or counter-party’s creditworthiness to determine their financing capability. Again standard procedures apply.



Credit approval procedures at Amāna Bank are governed by the Board-approved Delegation of Authority (DA) limits, which mandates that the Credit Risk Management Unit within RMD reviews and approves large credit facilities. Following this, a pre-disbursement review is conducted by the Credit Administration Unit.

The Board Credit Committee (BCC) serves as the ultimate authority for approving all credit facilities exceeding a specified threshold.

1.3 Monitoring and Reporting Procedures

Monitoring and reporting is an integral part of Amāna Bank’s approach to managing Credit Risk. The BIRMC has set out specific guidelines for monitoring of Credit Risk including internal prudential limits relating to sectors, geographies and portfolio exposures along with regulator imposed quantitative ceilings such as the single borrower and aggregate exposure limits.

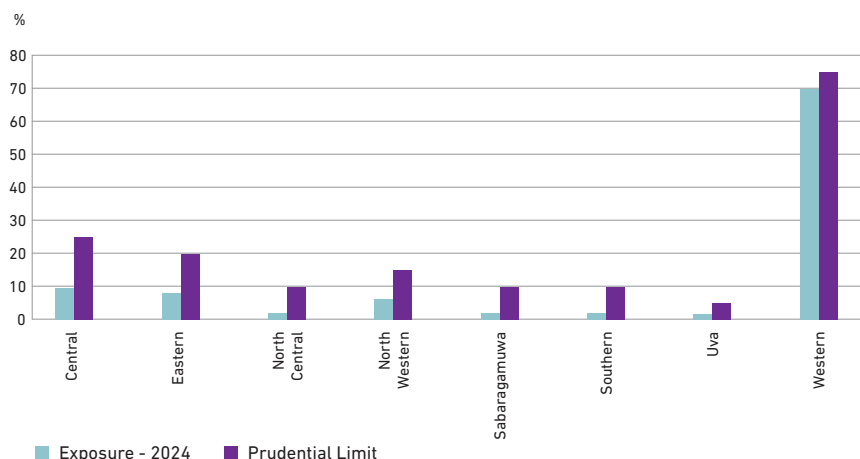
Based on these guidelines, the Credit Risk Management Unit undertakes post-credit monitoring to assess actual positions against approved limits, measure exposures against the internal classification of risk elevated industries and other established early warning indicators while performing stress testing and scenario analysis to determine how changes in the external environment could affect the Bank’s Credit Risk and Credit Concentration Risk of the Bank.

The Credit Risk Management Unit also works closely with business units to scrutinise portfolios and ensure potential Stage 3 impaired credit facilities are identified at an early stage to enable appropriate action to be mobilised as needed. Other post-credit monitoring by the Credit Risk Management Unit include; periodic monitoring of sectoral limits, top 20 exposures, Stage 3 facilities etc., with findings being presented to BIRMC and the Board on a regular basis.

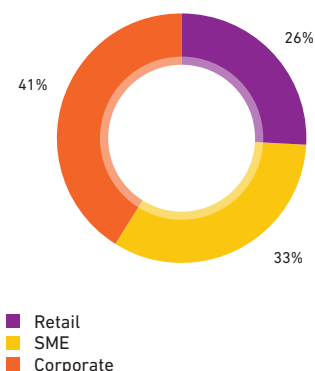
Meanwhile, the Board Credit Committee conducts a monthly review to assess the status of all financing facilities, top 50 exposures, progress on litigation cases, etc. All monitoring reports are submitted regularly to the BIRMC.

In addition, the CBSL mandated quarterly LRM (Loan Review Mechanism) for each facility above the internal limit threshold is carried out by RMD and findings are tabled at BIRMC.

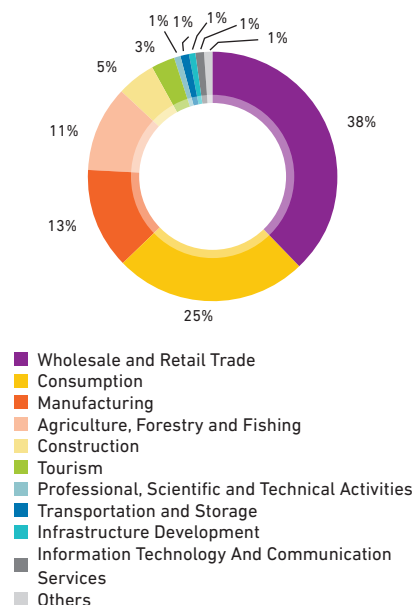
Geographical Concentration Against Prudential Limits



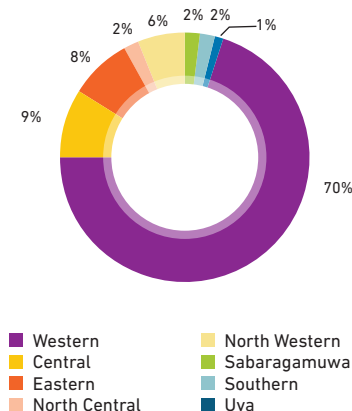
Exposure By Segment - 2024



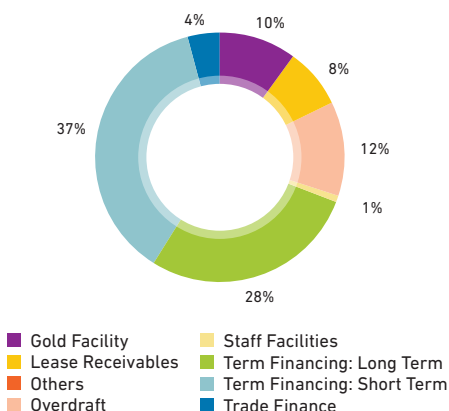
Exposure By Sector - 2024



Geographical Concentration of Portfolio - 2024



Exposure by Product - 2024



1.4 Credit Risk Update for 2024

Despite improving economic conditions in the Country in 2024, Amāna Bank continued to engage in financing based on the existing approach of assessing cash flows and backed by collateral across both retail and business banking segments. On the retail side, much of the focus for the year was on capitalising on the strong demand for housing and real estate financing solutions against the backdrop of declining market rates.

At the same time, the improving economic conditions allowed the Bank to expand its financing portfolio to make inroads into the SME segment, focusing mainly on the trading and manufacturing sectors which showed signs of consistent recovery in 2024.

The Bank continued with Gold Safe-keeping (GSK) financing. The robust operational framework for GSK financing, continues to ensure minimal asset liquidation compared to other financial institutions, demonstrating the Bank's strong processes in place to support customers. Given the

profile of the typical GSK customer, the Bank maintains continuous follow-up and support to help them settle their dues and retain ownership of their valuables. This proactive approach has resulted in a well-maintained credit portfolio with a consistently low non-performing asset ratio, reflecting the effectiveness of Amāna Bank's process-driven strategy in managing GSK financing.

Meanwhile, it was decided to adopt a selective approach towards increasing the exposure to the corporate segment, which received more focus especially as part of the Bank's post-economic crisis business strategy.

Another notable development was the low default rate throughout 2024, predominantly through robust risk management techniques in place and partly due to improved cash flows of businesses amidst the resumption of economic activity. Ongoing efforts by the Bank's newly formed Business Revival Unit also contributed to the lower credit default rate observed in 2024. Moreover, following the pause in asset repossession, the Bank's follow-up mechanisms were further tightened, particularly for Stage 2 facilities, leading to improved impairment results.

1.5 Credit Risk Outlook for 2025

Looking ahead Amāna Bank anticipates sustained growth in both the SME and retail segments, with particular emphasis on export and service industries. As part of its credit risk management strategy, the Bank will continue to leverage its approach to financing while carefully assessing and managing the associated risks within these growing sectors.

Strong emphasis will also be placed on sustainable financing, aligning with the CBSL's priority sectors. This strategic focus on sustainability will not only support the growth of green and socially responsible business opportunities but also help mitigate risk by diversifying the Bank's portfolio into more resilient, long-term sectors.

2. Market Risk

Market Risk in ABL primarily stems from Foreign Exchange Risk, driven by fluctuations in the LKR against the USD and Equity Risk owing to volatility in equity markets.

2.1 Managing Market Risk

Foreign Exchange Risk is managed according to the Bank's Foreign Exchange Policy and Risk Middle Office Policy (RMO), encapsulating Board approved prudential limits and the regulatory limits set by the CBSL. Within this framework, Amāna Bank conducts interbank forward transactions to manage positions arising from customer transactions and balance sheet mismatches. Additionally, currency cash flows are managed through promissory FX transactions on a matching basis.

The Board approved Equity Investment Policy governs the management of Equity Risk. As dedicated by the policy, the Bank's equity portfolio consists solely of white-listed equities. Board-approved sector-wise and portfolio-wise loss limits are established to manage equity exposure. The Bank also complies with the CBSL Guidelines concerning exposure limits to a single entity and total equity portfolio exposure. Moreover, in line with regulatory requirements, mark-to-market calculations are applied for all

the positions held within the entire portfolio, based on Market prices obtained from various sources, including CBSL and CSE websites, Reuters and the brokers in the market.

2.2 Monitoring and Reporting Procedures

The RMO is tasked with monitoring Market risk. The RMO is responsible for monitoring and enforcing the day-to-day inherent Market Risk and Liquidity Risk. This function is integral to validating the market risk model, monitoring market risk limit breaches and ensuring both regulatory requirements and prudential internal risk frameworks are met.

The RMO is a part of the Risk Management Division and carries out structured reporting framework, generating daily, weekly, and monthly risk reports which are disseminated to senior management, ALCO, BIRMC and regulators facilitating informed decision making and ensure adherence to risk governance frameworks.

Effective monitoring of market risk is essential to ensure financial stability and adhering to regulatory compliance. This process involves the use of metrics such as Value at Risk (VaR), stress testing and sensitivity analysis. Amāna Bank has strengthened monitoring of risk limits, implemented robust governance frameworks and maintains a real time monitoring process to identify and mitigate potential market risks, ensuring resilience in volatile market conditions.

RMO also undertakes to conduct multiple stress tests ranging from simple scenario analysis and specific event-based to

more complex multi-factor scenario stress testing to assess the consequences of hypothetical and historical shocks to multiple risk factors simultaneously. Guided by the Board approved stress testing guidelines, the RMO performs stress tests for areas in relation to foreign exchange exposure, equity portfolio and liquidity to ascertain the impact if the markets faced stressed situations.

The concentration of on and off balance sheet foreign currency risk as at 31 December 2024 and 31 December 2023 are given in the tables shown below:

Foreign Currency Risk - as at 31 December 2024

Currency	Spot			Forward			Net Open Position	Net Position in Other Exchange Contracts	Overall Exposure in Respective Foreign Currency	Overall exposure in LKR
	Assets	Liabilities	Net	Assets	Liabilities	Net				
U.S. Dollar	105,634,746	(82,059,472)	23,575,274	8,854,365	(39,551,167)	(30,696,802)	(7,121,527)	-	(7,121,527)	(1,978,802,372)
Pound Sterling	677,168	(667,477)	9,691	-	-	-	9,691	-	9,691	655,304
Euro	467,585	(385,478)	82,106	-	-	-	82,106	-	82,106	25,130,204
Japanese Yen	1,566,800	(39,009)	1,527,791	-	(0)	(0)	1,527,791	-	1,527,791	2,866,381
Indian Rupee			-			-	-	-	-	-
Australian Dollar	267,563	(231,202)	36,361	-	-	-	36,361	-	36,361	7,128,711
Canadian Dollar	2,375	-	2,375	-	-	-	2,375	-	2,375	484,036
Other Currencies										88,028,554
Total Exposure										2,103,095,562
Total Capital Base as at 31.12.2024										22,600,753,724
Total Exposure as a % of Total Capital Funds (should not exceed 30%)										9.31%

Foreign Currency Risk - as at 31 December 2023

Currency	Spot			Forward			Net Open Position	Net Position in Other Exchange Contracts	Overall Exposure in Respective Foreign Currency	Overall exposure in LKR
	Assets	Liabilities	Net	Assets	Liabilities	Net				
U.S. Dollar	102,604,057	(72,555,208)	30,048,849	3,000,000	(36,010,006)	(33,010,006)	(2,961,157)	-	(2,961,157)	(970,673,147)
Pound Sterling	603,391	(536,888)	66,503	-	-	-	66,503	-	66,503	21,629,066
Euro	539,726	(326,007)	213,719	-	-	-	213,719	-	213,719	76,525,606
Japanese Yen	1,784,589	(39,009)	1,745,580	-	(0)	(0)	1,745,580	-	1,745,580	3,998,991
Indian Rupee			-			-	-	-	-	-
Australian Dollar	218,557	(168,783)	49,774	-	-	-	49,774	-	49,774	10,733,005
Canadian Dollar	270	-	270	-	-	-	270	-	270	66,078
Other Currencies										115,336,040
Total Exposure										1,198,961,932
Total Capital Base as at 31.12.2023										22,600,753,724
Total Exposure as a % of Total Capital Funds (should not exceed 30%)										5.30%

Risk Management Report *Contd.*

2.3 Market Risk Update for 2024

During the year 2024, global and local market conditions remained dynamic. Market risk management framework remained focused on risk assessment and mitigation including counterparty and treasury risk limit assessments to ensure the Bank’s financial stability. Market risk / treasury risk limit and the counterparty exposure review were undertaken to align with evolving market condition.

VaR (Value at Risk) calculations are also performed, using a confidence level of 99% of the potential loss that is not expected to be exceeded if the current market risk positions were to be held unchanged for one day. The use of a 99% confidence level means that, within a one-day horizon, losses will be below the VaR limit on average under normal market conditions, for 99 out of 100 days.

Since VaR is an integral part of the Bank’s market risk management, VaR figures are reviewed monthly against loss limits by ALCO and at every BIRMC meeting.

VaR of FX Portfolio

		VaR of FX Portfolio	Approved Loss Limits for FX Operations
		(LKR million)	(LKR million)
2024	End December	13.93	36.63
	Daily Average	14.81	
	High	53.72	
	Low	1.59	
2023	End December	20.72	32.40
	Daily Average	15.03	
	High	66.86	
	Low	1.02	

VaR of Equity Portfolio

		VaR of FX Portfolio	Approved Loss Limits for FX Operations
		(LKR million)	(LKR million)
2024	End December	4.21	50.00
	Daily Average	2.70	
	High	5.37	
	Low	0.39	
2023	End December	0.42	50.00
	Daily Average	2.10	
	High	3.47	
	Low	0.42	

In 2024, the LKR registered a notable appreciation against the USD owing to the combined impact of the increase in inward remittance flows as well the surge in tourist related incomes following the revival of the tourism industry after a lapse of nearly three years. In light of these developments, the RMO performed stress tests to Amāna Bank’s foreign exchange exposure using three scenarios - 10%, 15% and 20%, in order to assess adverse rate movements of exchange rates, for which the result would impact upon the Bank’s Capital Adequacy Ratio (CAR).

The stress testing results of exchange exposures as of 31 December 2024 are given below:

Stress Testing - FX

Scenarios	%	Exchange Loss	RWA	Capital	Adjusted Capital	CAR	Adjusted CAR	Decline in CAR
Scenario 1	10%	203,918,038	135,942,363,552	23,882,000,571	23,678,082,533	17.57%	17.42%	0.15%
Scenario 2	15%	305,877,057	135,942,363,552	23,882,000,571	23,576,123,514	17.57%	17.34%	0.23%
Scenario 3	20%	407,836,076	135,942,363,552	23,882,000,571	23,474,164,495	17.57%	17.27%	0.30%

Meanwhile, given the volatility in equity markets observed in 2024, Amāna Bank's equity portfolio was also subjected to stress testing using three scenarios - 10%, 15% and 20% in order to assess adverse price movements of equities, for which the result would impact upon the CAR.

The stress testing results of equity portfolio as of 31 December 2024 are given below:

Stress Testing - Equity

Scenarios	%	Exchange Loss	RWA	Capital	Adjusted Capital	CAR	Adjusted CAR	Decline in CAR
Scenario 1	10%	46,127,296	135,942,363,552	23,882,000,571	23,835,873,275	17.57%	17.53%	0.03%
Scenario 2	15%	69,190,944	135,942,363,552	23,882,000,571	23,812,809,626	17.57%	17.52%	0.05%
Scenario 3	20%	92,254,593	135,942,363,552	23,882,000,571	23,789,745,978	17.57%	17.50%	0.07%

Additionally, although the Bank's rate risk is limited due to the business model where customer deposits are accepted on the profit and loss sharing basis, aligning returns with actual earnings and minimizing undue risk exposure, the ALCO undertakes to monitor the maturity mismatch of assets and liabilities on a monthly basis to initiate action for appropriate re-pricing and ensure proactive risk management.

However, rate risk is monitored by measuring the impact on rate sensitive maturity gaps with yield curve shifts of parallel and non-parallel nature.

	1 to 30 Days	1-3 months	3-6 months	6 - 9 months	9 - 12 months	1-3 years	3-5 years	5-10 years	10-15 years	Over 15 years
Scenario I	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Scenario II	-2.00%	-2.00%	-2.00%	-2.00%	-2.00%	-2.00%	-2.00%	-2.00%	-2.00%	-2.00%
Scenario III	-1.50%	-1.50%	-1.25%	-1.25%	-1.00%	1.00%	1.00%	1.25%	1.25%	1.50%
Scenario IV	1.50%	1.50%	1.25%	1.25%	1.00%	-1.00%	-1.00%	-1.25%	-1.25%	-1.50%
Scenario V	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

Risk Management Report *Contd.*

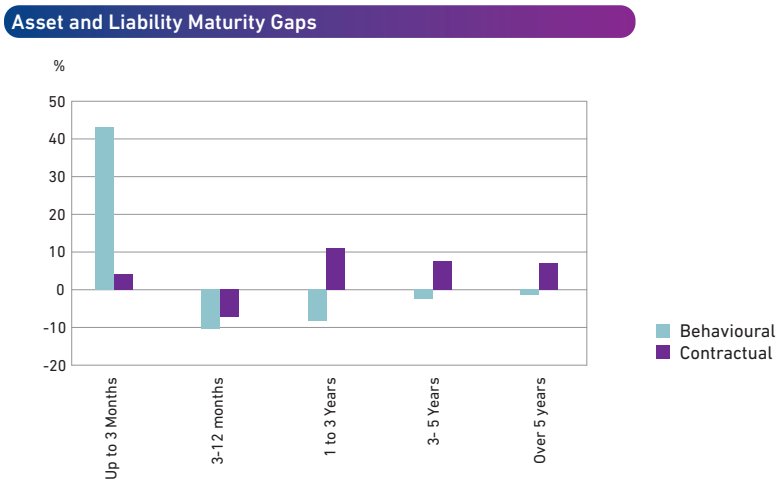
2024		
Behavioural Basis		
Scenario	Rate Risk (LKR million)	Impact on Capital
Scenario I	420.0	1.8%
Scenario II	(891.9)	-3.8%
Scenario III	220.4	0.9%
Scenario IV	(241.8)	-1.0%
Scenario V	822.8	3.5%

2024		
Contractual Basis		
Scenario	Rate Risk (LKR million)	Impact on Capital
Scenario I	(81.3)	-0.3%
Scenario II	197.8	0.8%
Scenario III	(138.2)	-0.6%
Scenario IV	154.7	0.7%
Scenario V	(153.5)	-0.7%

The impact of 1% increase in market rates on Economic Value of Equity (EVE) and Earnings at Risk (EaR) calculated based on Behavioural and Contractual maturities are given in the table below:

	2024	2023
Economic Value of Equity (EVE) - (100 bps shift)		
Behavioural - % of Total Capital	1.79%	1.95%
- Value in LKR million	420.00	441.77
Contractual - % of Total Capital	-0.35%	0.66%
- Value in LKR million	(81.27)	149.31
Earnings at Risk (EaR) - (100bps shift)		
Behavioural - % of Total Capital	0.66%	0.81%
- Value in LKR million	154.64	183.62
Contractual - % of Total Capital	-0.25%	0.09%
- Value in LKR million	(59.17)	20.82

The contractual and behavioural assets and liability maturity gaps as at end of year are indicated below:



In 2024, the Bank also took some concrete action towards adopting the FX Global Code introduced by the CBSL to meet the August 2024 compliance deadlines. Amāna bank has now successfully implemented FX Global code in compliance with the requirement set by the CBSL. In this regard, relevant Management Committee members along with internal stakeholders from relevant units met and discussed the implementation process with a special Sub Committee formed under the supervision of the Head of Treasury & Financial Institutions to steer the project. The Committee also comprises members from Treasury Division, Risk Management, Treasury Processing Unit, Internal Audit Division and Compliance Divisions. The Sub Committee reviewed all 55 principles covering six key areas such as Ethics, Governance, Execution, Information Sharing, Risk & Compliance and Confirmation & Settlement with gap areas identified and appropriate measures implemented to comply with FX Global code by the deadline imposed by CBSL. In order to ensure a smooth transition and effective utilization of the FX global code, Key members of the relevant divisions acquired the necessary knowledge through comprehensive training program the “FX Global Code Workshop” conducted by the Sri Lanka Forex Association (SLFA) which is affiliated with ACI Financial Markets Association (ACI FMA), and successfully completed the required examination as well.

2.4 Market Risk Outlook for 2025

Sri Lanka’s banking Sector, in 2025, navigates a dynamic market risk landscape influenced by economic recovery efforts and external developments. Foreign Exchange volatility remains a key concern with LKR appreciating by 10.7% in 2024, followed by a 2% depreciation against the USD in early 2025, also with the successful completion of the debt restructuring in December 2024, has strengthened the country’s fiscal position. Considering the fiscal consolidation challenges remaining unchanged and given the above market dynamics, the Bank shall implement robust market risk management strategies including enhanced stress testing, scenario analysis and monitoring the adequacy of capital buffers.

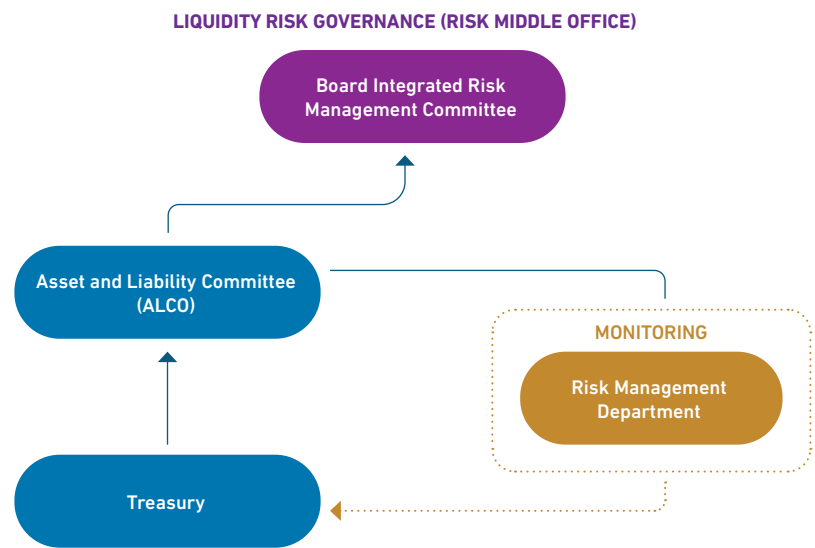
Close monitoring of both economic indicators and global market trends will be streamlined as this will be essential to ensure financial stability and remaining resilience in the year ahead.

3. Liquidity Risk

Liquidity Risk is the risk that the Bank either does not hold sufficient financial resources to meet its obligations as they fall due or can only access these financial resources at an excessive cost.

3.1 Managing Liquidity Risk

Liquidity Risk is managed in accordance with Board-approved policies and limits, ensuring compliance with the regulatory requirements for licensed commercial banks. The key policies guiding Liquidity Risk Management include the Treasury Policy, the Treasury Risk Limit Framework, and the Asset & Liability Management Policy.



3.2 Monitoring and Reporting Procedures

The ALCO holds the responsibility for monitoring Liquidity Risk and works closely with the Risk Management Division to monitor the following key metrics:

- ❖ Liquidity Coverage Ratio (LCR) to ensure adequate reserves in compliance with regulatory minimum liquidity requirements for LKR and stipulated foreign currencies
- ❖ Net Stable Funding Ratio (NSFR) to ensure the Bank maintains adequate stable funding to cover the duration of long-term assets
- ❖ Maximum Cash out flow (MCO)

The ICAAP Process also plays a crucial role in the overall Liquidity Risk monitoring as it serves as a fundamental tool used to support efficient and effective Capital Planning to ensure the Bank has adequate liquidity to meet its financial and regulatory obligations.

Amāna Bank remains committed to maintaining a strong liquidity position and ensuring compliance with the regulatory requirements set forth by the Central Bank of Sri Lanka

(CBSL) under the Basel III framework. The Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) are key liquidity risk management measures that enable the Bank to uphold financial stability and resilience in varying market conditions

3.3 Liquidity Risk Update for 2024

In 2024, adequate liquidity was held by the Bank to ensure that key liquidity ratios were maintained in accordance with the regulatory requirements.

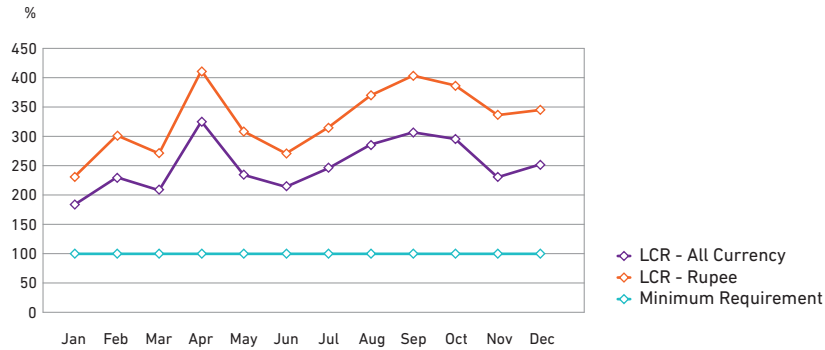
Amāna Bank’s LCR in respect of Rupee Liquidity for local currency operations and all Currency Liquidity Minimum Requirement for overall operations remained consistently above the regulatory minimum of 100%, throughout 2024. The Bank continuously monitors and optimises its liquidity buffers, ensuring that it exceeds the regulatory minimum requirements while managing cash flow volatility effectively.

During 2024, the Bank maintained its LCR well above the minimum requirement.

LCR Ratio – All Currency			
Year	Year-end (%)	Minimum (%)	Maximum (%)
2022	126.4	111.3	327.7
2023	234.9	120.3	242.0
2024	252.8	183.1	327.0

LCR Ratio – Rupee			
Year	Year-end (%)	Minimum (%)	Maximum (%)
2022	150.0	148.0	409.0
2023	300.0	136.0	300.0
2024	346.0	231.0	414.0

LCR - 2024

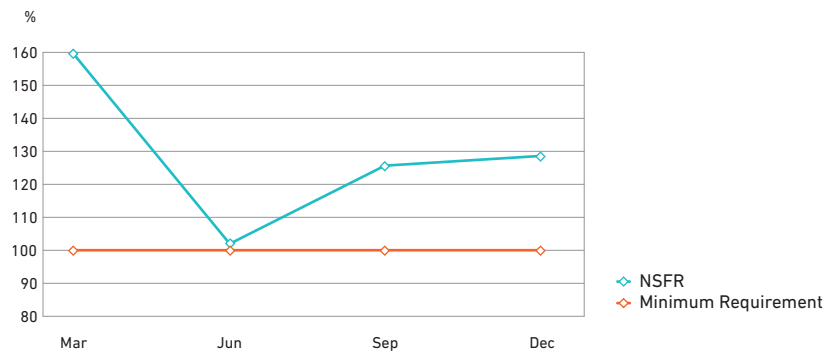


The NSFR, on the other hand, focuses on the Bank's long-term funding stability by ensuring that sufficient stable funding sources are available to support long-term assets and obligations. The Bank actively aligns its asset-liability management (ALM) strategies to optimize funding structures and mitigate potential mismatches, thereby maintaining a strong and sustainable liquidity position.

During 2024, the Bank maintained its NSFR above the minimum requirement.

	Mar	Jun	Sep	Dec
Total Available Stable Funding (LKR '000)	120,097,997	122,795,970	142,333,323	151,705,061
Total Required Stable Funding (LKR '000)	75,253,657	120,330,857	113,166,636	117,281,555
NSFR	160%	102%	126%	129%
Minimum Requirement	100%	100%	100%	100%

NSFR - 2024



Risk Management Report *Contd.*

MATURITY GAPS OF ASSETS AND LIABILITIES (BEHAVIOURAL BASIS) AS AT 31 DECEMBER 2024

	Up to 3 Months	3 - 12 Months	1 - 3 Years	3 - 5 Years	Over 5 Years	Total	Sensitive to Rates
	LKR	LKR	LKR	LKR	LKR	LKR	
Assets							
Cash and Cash Equivalents	17,070,764,566	-	-	-	-	17,070,764,566	Yes
Balance with Central Bank of Sri Lanka	6,280,754,703	423,744,620	215,469,826	90,432,182	67,637,995	7,078,039,326	Yes
Placements with Banks	37,795,110,568	516,579,182	-	-	-	38,311,689,750	Yes
Placements with Licensed Finance Companies	507,640,396	-	-	-	-	507,640,396	Yes
Derivative Financial Assets	177,460,850	-	-	-	-	177,460,850	Yes
Financial Assets Recognised Through Fair Value through Profit or Loss	70,216,929	-	-	-	-	70,216,929	Yes
Financial Assets at Amortised Cost - Financing and Receivables to Other Customers	35,740,021,110	42,556,455,763	18,920,880,510	8,967,542,395	5,116,949,242	111,301,849,020	Yes
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-	-	-	348,710,504	348,710,504	Yes
Other Assets - Financial	2,739,420,931	225,000	89,934,250	-	-	2,829,580,181	Yes
Property, Plant, Equipment And Right-of-Use Assets	-	-	-	-	2,968,026,601	2,968,026,601	No
Intangible Assets	-	-	-	-	337,562,608	337,562,608	No
Other Assets - Non Financial	250,115,496	260,834,839	-	-	-	510,950,335	No
Deferred Tax Assets	-	-	-	-	824,316,848	824,316,848	No
Total Assets	100,631,505,549	43,757,839,404	19,226,284,586	9,057,974,577	9,663,203,798	182,336,807,914	
Liabilities							
Due to Banks	18,949,309	-	-	-	-	18,949,309	Yes
Derivative Financial Liabilities	22,856,743	-	-	-	-	22,856,743	Yes
Financial Liabilities at Amortised Cost - Due to Depositors	52,891,010,310	53,995,587,944	27,504,534,415	11,488,368,816	8,526,208,570	154,405,710,056	Yes
Other Liabilities - Financial	4,066,242,077	-	33,732,713	-	-	4,099,974,790	Yes
Current Tax Liabilities	236,732,521	236,732,521	-	-	-	473,465,041	No
Dividend Payable	99,470,636	-	-	-	-	99,470,636	No
Retirement Benefit Liability	-	-	-	-	186,730,809	186,730,809	Yes
Other Liabilities - Non Financial	187,790,136	-	-	-	-	187,790,136	No
Total Liabilities	57,523,051,732	54,232,320,465	27,538,267,128	11,488,368,816	8,712,939,379	159,494,947,520	
Maturity Gap	43,108,453,817	(10,474,481,060)	(8,311,982,542)	(2,430,394,239)	950,264,419	22,841,860,394	

MATURITY GAPS OF ASSETS AND LIABILITIES (CONTRACTUAL BASIS) AS AT 31 DECEMBER 2024

	Up to 3 Months	3 - 12 Months	1 - 3 Years	3 - 5 Years	Over 5 Years	Total	Sensitive to Rates
	LKR	LKR	LKR	LKR	LKR	LKR	
Assets							
Cash and Cash Equivalents	17,070,764,566	-	-	-	-	17,070,764,566	Yes
Balance with Central Bank of Sri Lanka	7,078,039,326	-	-	-	-	7,078,039,326	Yes
Placements with Banks	37,795,110,568	516,579,181	-	-	-	38,311,689,749	Yes
Placements with Licensed Finance Companies	507,640,397	-	-	-	-	507,640,397	Yes
Derivative Financial Assets	177,460,850	-	-	-	-	177,460,850	Yes
Financial Assets Recognised Through Fair Value through Profit or Loss	70,216,929	-	-	-	-	70,216,929	Yes
Financial Assets at Amortised Cost - Financing and Receivables to Other Customers	35,740,021,110	42,556,455,763	18,920,880,510	8,967,542,395	5,116,949,241	111,301,849,018	Yes
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-	-	-	348,710,504	348,710,504	Yes
Other Assets - Financial	2,739,420,931	225,000	89,934,250	-	-	2,829,580,181	Yes
Property, Plant, Equipment And Right-of-Use Assets	-	-	-	-	2,968,026,601	2,968,026,601	No
Intangible Assets	-	-	-	-	337,562,611	337,562,611	No
Other Assets - Non Financial	250,115,496	260,834,839	-	-	-	510,950,335	No
Deferred Tax Assets	-	-	-	-	824,316,848	824,316,848	No
Total Assets	101,428,790,172	43,334,094,783	19,010,814,760	8,967,542,395	9,595,565,805	182,336,807,915	
Liabilities							
Due to Banks	18,949,309	-	-	-	-	18,949,309	Yes
Derivative Financial Liabilities	22,856,743	-	-	-	-	22,856,743	Yes
Financial Liabilities at Amortised Cost - Due to Depositors	92,807,271,510	50,307,414,303	7,881,629,957	1,245,154,615	2,164,239,671	154,405,710,056	Yes
Other Liabilities - Financial	4,066,242,077	-	33,732,713	-	-	4,099,974,790	Yes
Current Tax Liabilities	236,732,521	236,732,521	-	-	-	473,465,041	No
Dividend Payable	99,470,636	-	-	-	-	99,470,636	No
Retirement Benefit Liability	-	-	-	-	186,730,809	186,730,809	Yes
Other Liabilities - Non Financial	187,790,136	-	-	-	-	187,790,136	No
Total Liabilities	97,439,312,931	50,544,146,824	7,915,362,670	1,245,154,615	2,350,970,480	159,494,947,520	
Maturity Gap	3,989,477,241	(7,210,052,041)	11,095,452,090	7,722,387,780	7,244,595,324	22,841,860,395	

Risk Management Report *Contd.*

MATURITY GAP ANALYSIS FOR LOCAL CURRENCY DENOMINATED ASSETS AND LIABILITIES AS AT 31 DECEMBER 2024

	Up to 1 Month	1 - 3 Months	3 - 6 Months
	LKR	LKR	LKR
Inflows			
Cash in Hand	10,800,470,340	-	-
Balance with Central Bank of Sri Lanka	3,703,650,062	389,101,438	187,422,236
Balances Due from Other Banks and Financial Institutions	10,245,418,993	8,497,061,996	499,701,984
Derivative Financial Assets	-	-	-
Investments	418,927,433	-	-
Overdrafts	940,004,748	940,004,748	940,004,748
Financing and Receivables to Other Customers	17,282,147,794	12,047,531,575	8,114,880,617
Non-Performing Advances	-	-	-
Other Assets	2,680,848,894	352,170,704	41,463,086
Total (a)	46,071,468,264	22,225,870,461	9,783,472,671
Outflows			
Demand Deposits	2,221,180,283	2,210,180,283	1,657,635,212
Savings Deposits	2,433,767,068	2,372,195,846	2,402,013,359
Balance Due to Other Banks	-	-	-
Derivative Financial Liabilities	-	-	-
Time Deposits	406,984,193	15,039,482,245	5,391,800,850
Profit Payable	-	-	-
Provisions Other than for Financing Losses and Depreciation in the Value of Investment Portfolio	2,753,419,595	38,828,553	56,938,810
Other Liabilities	5,505,609,333	-	-
Unutilised Portion of Overdraft, Financing and Receivables to Other Customers	947,903,011	1,895,806,023	2,843,709,034
Letters of Credit/Guarantees/Acceptances	665,875,030	908,064,576	1,063,512,214
Repo/Bills Rediscounted/Swaps/Forward Contracts	8,467,700,000	-	-
Others	-	-	-
Total (b)	23,402,438,513	22,464,557,526	13,415,609,479
Gap = (a) - (b)	22,669,029,751	(238,687,065)	(3,632,136,808)
Cumulative Gap	22,669,029,751	22,430,342,686	18,798,205,878

	6 - 9 Months	9 - 12 Months	1 - 3 Years	3 - 5 Years	Over 5 Years	Total
	LKR	LKR	LKR	LKR	LKR	LKR
	-	-	-	-	-	10,800,470,340
	232,673,844	246,437,007	440,682,871	248,584,059	664,962,446	6,113,513,963
	-	-	44,856,575	-	-	19,287,039,548
	-	-	-	-	-	-
	-	-	-	-	-	418,927,433
	940,004,748	940,004,748	2,611,124,301	2,611,124,301	2,611,124,301	12,533,396,643
	4,739,536,400	6,117,454,853	11,956,173,902	17,127,225,081	11,626,391,277	89,011,341,499
	-	389,473,048	-	-	1,168,419,143	1,557,892,191
	19,682,264	20,998,264	144,287,875	824,316,848	3,653,038,898	7,736,806,833
	5,931,897,256	7,714,367,920	15,197,125,524	20,811,250,289	19,723,936,065	147,459,388,450
	1,105,090,142	1,105,090,142	-	-	2,762,725,354	11,061,901,416
	2,388,347,583	2,403,017,896	12,268,988,261	12,209,125,176	13,539,159,409	50,016,614,598
	-	-	-	-	-	-
	-	-	-	-	-	-
	8,239,988,990	8,919,376,340	9,954,051,869	326,632,141	17,231,270,503	65,509,587,131
	-	-	-	-	-	-
	168,823,808	52,682,200	383,866,192	469,908,868	305,097,069	4,229,565,095
	-	-	-	-	-	5,505,609,333
	2,843,709,034	2,843,709,034	-	-	-	11,374,836,136
	1,086,204,895	1,182,030,961	584,064,232	56,719,337	-	5,546,471,245
	293,000,000	-	1,014,717,600	-	-	9,775,417,600
	-	-	-	-	22,726,385,172	22,726,385,172
	16,125,164,452	16,505,906,573	24,205,688,154	13,062,385,522	56,564,637,507	185,746,387,726
	(10,193,267,196)	(8,791,538,653)	(9,008,562,630)	7,748,864,767	(36,840,701,442)	(38,286,999,276)
	8,604,938,682	(186,599,971)	(9,195,162,601)	(1,446,297,834)	(38,286,999,276)	

Risk Management Report *Contd.*

MATURITY GAP ANALYSIS FOR U.S. DOLLAR DENOMINATED ASSETS AND LIABILITIES AS AT 31 DECEMBER 2024

	Up to 1 Month	1 - 3 Months	3 - 6 Months
	USD	USD	USD
Inflows			
Cash in Hand	909,951	-	-
Balance with Central Bank of Sri Lanka	-	-	-
Balances Due from Other Banks and Financial Institutions	69,977,173	-	-
Derivative Financial Assets	-	-	-
Investments	-	-	-
Overdrafts	-	189,888	189,888
Financing and Receivables to Other Customers	8,630,505	7,182,210	5,869,028
Non-Performing Advances	-	-	-
Inter Branch Transactions	-	-	-
Other Assets	1,719,562	-	-
Total (a)	81,237,191	7,372,098	6,058,916
Outflows			
Demand Deposits	999,508	999,508	749,631
Savings Deposits	973,120	950,110	950,110
Balance Due to Other Banks	-	-	-
Derivative Financial Liabilities	-	-	-
Time Deposits	941,124	18,647,074	6,745,257
Net Inter-Branch Transactions	-	-	-
Profit Payable	95,725	-	419,257
Provisions Other than for Financing Losses and Depreciation in the Value of Investment Portfolio	932,841	-	-
Other Liabilities	18,770,047	-	-
Unutilised Portion of Overdraft, Financing and Receivables to Other Customers	-	-	-
Letters of Credit/Guarantees/Acceptances	9,148,706	5,988,710	1,887,306
Repo/Bills Rediscounted/Swaps/Forward Contracts	27,500,000	3,760,000	1,750,000
Others	-	-	-
Total (b)	59,361,071	30,345,402	12,501,561
Gap = (a) - (b)	21,876,120	(22,973,304)	(6,442,645)
Cumulative Gap	21,876,120	(1,097,184)	(7,539,829)

	6 - 9 Months	9 - 12 Months	1 - 3 Years	3 - 5 Years	Over 5 Years	Total
	USD	USD	USD	USD	USD	USD
	-	-	-	-	-	909,951
	-	-	-	-	-	-
	-	-	-	-	-	69,977,173
	-	-	-	-	-	-
	-	-	-	-	-	-
	189,888	189,888	527,466	527,466	527,466	2,341,950
	2,206,507	988	928,564	613,698	33,095	25,464,595
	-	23,319	-	-	69,956	93,275
	-	-	-	-	-	-
	-	-	-	-	-	1,719,562
	2,396,395	214,195	1,456,030	1,141,164	630,517	100,506,506
	499,754	499,754	-	-	1,249,385	4,997,540
	950,110	955,974	4,806,023	4,774,520	4,879,266	19,239,233
	-	-	-	-	-	-
	-	-	-	-	-	-
	3,683,239	8,725,076	3,379,282	11,001,839	-	53,122,891
	-	-	-	-	-	-
	736,642	527,440	445,950	262,170	265,831	2,753,015
	-	-	33,105	-	-	965,946
	-	-	-	-	-	18,770,047
	-	-	-	-	-	-
	2,042,792	1,059,137	-	-	-	20,126,651
	-	-	-	-	-	33,010,000
	-	-	-	-	499,692	499,692
	7,912,537	11,767,381	8,664,360	16,038,529	6,894,174	153,485,015
	(5,516,142)	(11,553,186)	(7,208,330)	(14,897,365)	(6,263,657)	(52,978,509)
	(13,055,971)	(24,609,157)	(31,817,487)	(46,714,852)	(52,978,509)	

Risk Management Report *Contd.*

SENSITIVITY ANALYSIS FOR LOCAL CURRENCY DENOMINATED ASSETS AND LIABILITIES AS AT 31 DECEMBER 2024

	Up to 1 Month	1 - 3 Months	3 - 6 Months	6 - 12 Months	1 - 2 Years	2 - 3 Years
	LKR	LKR	LKR	LKR	LKR	LKR
Inflows						
Cash in Hand	-	-	-	-	-	-
Balance with Central Bank of Sri Lanka	-	-	-	-	-	-
Balances Due from Other Banks and Financial Institutions	10,245,418,993	8,497,061,996	499,701,984	-	44,856,575	-
Derivative Financial Assets	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Overdrafts	12,533,396,644	-	-	-	-	-
Financing and Receivables to Other Customers	18,534,628,378	10,963,723,007	8,224,452,014	11,281,634,132	6,027,405,328	5,655,278,521
Non-Performing Advances	-	-	-	-	115,929,432	-
Fixed Assets	-	-	-	-	-	-
Accrued Profit	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-
FRA's	-	644,600,000	136,656,665	-	-	-
Total (a)	41,313,444,015	20,105,385,003	8,860,810,663	11,281,634,132	6,188,191,335	5,655,278,521
Outflows						
Demand Deposits	-	-	-	-	-	-
Savings Deposits	45,778,871,320	91,937,689	120,725,556	232,804,107	448,240,265	425,214,040
Time Deposits	6,782,538,842	13,358,690,754	12,199,922,572	25,695,287,402	6,737,368,873	133,664,225
Other Deposits	-	-	-	-	-	-
Other Borrowings/Balance Due to Other Banks	-	-	-	-	-	-
Derivative Financial Liabilities	-	-	-	-	-	-
Profit Payable	-	-	-	-	-	-
Provisions (Others)	-	-	-	-	-	-
Capital	-	-	-	-	-	-
Reserves	-	-	-	-	-	-
Retained earnings	-	-	-	-	-	-
Others (Liabilities)	-	-	-	-	-	-
FRA's	8,467,700,000	-	-	293,000,000	1,014,717,600	-
Total (b)	61,029,110,162	13,450,628,443	12,320,648,128	26,221,091,509	8,200,326,738	558,878,265
Gap = (a) - (b)	(19,715,666,147)	6,654,756,560	(3,459,837,465)	(14,939,457,377)	(2,012,135,403)	5,096,400,256

	3 - 4 Years	4 - 5 Years	5 - 7 Years	7 - 10 Years	10 - 15 Years	15 - 20 Years	Non Sensitive	Total
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
	-	-	-	-	-	-	10,800,470,340	10,800,470,340
	-	-	-	-	-	-	6,113,513,963	6,113,513,963
	-	-	-	-	-	-	-	19,287,039,548
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	418,927,433	418,927,433
	-	-	-	-	-	-	-	12,533,396,644
	6,267,795,559	10,430,033,285	6,249,875,232	4,021,841,773	859,482,279	495,191,993	-	89,011,341,501
	-	76,529,784	206,499,013	-	-	-	1,158,933,961	1,557,892,190
	-	-	-	-	-	-	3,305,589,212	3,305,589,212
	-	-	-	-	-	-	5,748,914,017	5,748,914,017
	-	-	-	-	-	-	4,431,217,621	4,431,217,621
	-	-	-	-	-	-	-	781,256,665
	6,267,795,559	10,506,563,069	6,456,374,245	4,021,841,773	859,482,279	495,191,993	31,977,566,547	153,989,559,134
	-	-	-	-	-	-	11,061,538,934	11,061,538,934
	403,702,873	393,390,518	612,763,912	748,343,898	643,712,334	116,908,087	-	50,016,614,599
	176,940,508	268,811,471	-	-	-	-	-	65,353,224,647
	-	-	-	-	-	-	156,362,482	156,362,482
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	1,119,465,965	1,119,465,965
	-	-	-	-	-	-	4,227,632,584	4,227,632,584
	-	-	-	-	-	-	8,678,963,424	8,678,963,424
	-	-	-	-	-	-	446,557,656	446,557,656
	-	-	-	-	-	-	13,600,864,092	13,600,864,092
	-	-	-	-	-	-	(5,017,101,910)	(5,017,101,910)
	-	-	-	-	-	-	-	9,775,417,600
	580,643,381	662,201,989	612,763,912	748,343,898	643,712,334	116,908,087	34,274,283,227	159,419,540,073
	5,687,152,178	9,844,361,080	5,843,610,333	3,273,497,875	215,769,945	378,283,906	(2,296,716,680)	(5,429,980,939)

Risk Management Report *Contd.*

SENSITIVITY ANALYSIS FOR U.S. DOLLAR DENOMINATED ASSETS AND LIABILITIES AS AT 31 DECEMBER 2024

	Up to 1 Month	1 - 3 Months	3 - 6 Months	6 - 12 Months	1 - 2 Years
	USD	USD	USD	USD	USD
Inflows					
Cash in Hand	-	-	-	-	-
Balance with Central Bank of Sri Lanka	-	-	-	-	-
Balances Due from Other Banks and Financial Institutions	69,977,173	-	-	-	-
Derivative Financial Assets	-	-	-	-	-
Investments	-	-	-	-	-
Overdrafts	2,531,838	-	-	-	-
Financing and Receivables to Other Customers	8,739,553	6,995,266	5,850,915	2,823,535	198,114
Non Performing Advances	-	-	-	-	-
Fixed Assets	-	-	-	-	-
Accrued Profit	-	-	-	-	-
FRAs	-	2,200,000	466,405	-	-
Other Assets	-	-	-	-	-
Total (a)	81,248,564	9,195,266	6,317,320	2,823,535	198,114
Outflows					
Demand Deposits	-	-	-	-	-
Savings Deposits	19,918,476	-	-	5,865	21,454
Time Deposits	11,946,807	15,113,724	8,835,430	32,796,964	-
Other Deposits	-	-	-	-	-
Other Borrowings/Balances Due to Other Banks	-	-	-	-	-
Derivative Financial Liabilities	-	-	-	-	-
Profit Payable	-	-	-	-	-
Provisions (Others)	-	-	-	-	-
Capital	-	-	-	-	-
Reserves	-	-	-	-	-
Retained earnings	-	-	-	-	-
Others (Liabilities)	-	-	-	-	-
FRAs	28,900,000	-	-	1,000,000	3,463,200
Total (b)	60,765,283	15,113,724	8,835,430	33,802,829	3,484,654
Gap = (a) - (b)	20,483,281	(5,918,458)	(2,518,110)	(30,979,294)	(3,286,540)

	2 - 3 Years	3 - 4 Years	4 - 5 Years	5 - 7 Years	7 - 10 Years	10 - 15 Years	15 - 20 Years	Non Sensitive	Total
	USD	USD	USD	USD	USD	USD	USD	USD	USD
	-	-	-	-	-	-	-	909,951	909,951
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	69,977,173
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	2,531,838
	104,393	466,566	147,132	-	33,095	-	-	-	25,358,569
	-	-	-	-	-	-	-	93,275	93,275
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	1,286,269	1,286,269
	-	-	-	-	-	-	-	-	2,666,405
	-	-	-	-	-	-	-	1,719,562	1,719,562
	104,393	466,566	147,132	-	33,095	-	-	4,009,057	104,543,042
	-	-	-	-	-	-	-	4,843,476	4,843,476
	34,022	2,508	21,464	33,711	63,337	29,536	2,134	-	20,132,507
	-	-	-	-	-	-	-	-	68,692,925
	-	-	-	-	-	-	-	157,235	157,235
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	1,213,130	1,213,130
	-	-	-	-	-	-	-	965,945	965,945
	-	-	-	-	-	-	-	(2,422,615)	(2,422,615)
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	2,922,307	2,922,307
	-	-	-	-	-	-	-	18,811,303	18,811,303
	-	-	-	-	-	-	-	-	33,363,200
	34,022	2,508	21,464	33,711	63,337	29,536	2,134	26,490,781	148,679,413
	70,371	464,058	125,668	(33,711)	(30,242)	(29,536)	(2,134)	(22,481,724)	(44,136,371)

3.4 Liquidity Risk Outlook for 2025

Managing liquidity risk will be a top priority for Amāna Bank amid shifting economic conditions, regulatory changes, and financial market developments. Bank will need to adapt to fluctuating exchange rates, inflationary trends, and market rate adjustments, all of which could affect liquidity buffers and overall funding stability. Bank will diversify funding sources, optimise deposit management, and strengthen contingency funding plans to mitigate risks associated with economic uncertainty. Dynamic stress testing framework shall be adopted to ensure financial stability and maintain confidence in the Bank.

4. Operational Risk

Operational Risk is the risk of loss arising from inadequate or failed internal processes, people and systems or from external events such as natural disasters, social or political events that may impact the Bank.

4.1 Managing Operational Risk

Amāna Bank's approach to managing Operational Risk is guided by a comprehensive policy framework anchored in the Board-approved Operational Risk Management Policy which establishes the principles and guidelines for effectively identifying, assessing, mitigating, and monitoring operational risks. Building on this overarching framework, the Board has introduced specific policies to address key components of operational risk.

Effective operational risk management of Amāna Bank ensures business continuity, regulatory compliance and the protection of the Bank's financial and reputational integrity.

The Bank has adopted a comprehensive framework for managing operational risk, integrating strong internal controls, risk assessment and incident monitoring. Furthermore, the Bank has conducted regular targeted staff training to enhance operational resilience.

Amāna Bank has conducted the programme to the selected employees on ISO 22301 – the International Standards for Business Continuity Management Systems (BCMS) to provide an understanding on the significance of ISO 22301 certification, its benefits in enhancing operational resilience and how to develop a structured approach to manage disruptions.

4.2 Monitoring and Reporting Procedures

Operational Risk monitoring and reporting at Amāna Bank is undertaken through a structured framework involving comprehensive controls, assessments, and oversight mechanisms.

The Risk Management Division plays a key role in monitoring Operational risks. Their duties included spearheading the bi-annual Risk and Control Self-Assessments (RCSA), a process which is conducted by the staff attached to the respective units, as they are most familiar with the processes being assessed under the guidance of the Operational Risk Management Unit. Furthermore, regular feedback and guidance are provided by Management and Board sub-committees fostering continuous improvement of the RCSA process. The RCSA empowers business and support units to independently identify and assess operational risks associated with key processes under their responsibility. It also enables the evaluation of existing controls'

effectiveness and, where necessary, the development of action plans to address any identified gaps, thereby strengthening the Bank's overall risk management framework.

In terms of Internal loss data (ILD), RMD maintains Loss event database in line with Basel regulations and CBSL requires the Bank to identify operational loss trends from internal loss data collection and prepare analysis for management reporting. Root cause of operational losses to facilitate control/process/ system improvements are identified and monitored for resolution.

KRIs provide early detection of operational risks, enabling the Bank to identify potential issues before they result in actual failures. KRIs act as proactive warning signals, allowing the Bank to implement preventive measures or controls to mitigate identified risk exposures. If a KRI threshold is breached, it is promptly escalated to the Operational Risk Management Committee (ORMC), which oversees and recommends the necessary remedial actions. Any exceptions beyond the threshold of ORMC, are reported to the BIRMC for further review.

Similarly the Compliance and Internal Audit Divisions conduct routine due diligence to verify the effectiveness of operational systems and controls, while a dedicated IT & Security Committee oversees technology and security risks, as outlined in Board-approved terms. Additionally, the BCP Working Committee function performs drills to verify the Bank's preparedness for contingencies. The HR Department monitors all human capital processes to ensure workforce readiness to support uninterrupted operations.

ORMC, a Senior Management level committee comprising functional heads and chaired by the COO, provides consistent, Bank-wide oversight of Operational Risk Management. ORMC is reporting to Executive Risk Management Committee (ERMC) which is coming under the purview of BIRMC.

4.3 Operational Risk Update for 2024

Amāna Bank undertook several initiatives in 2024 to strengthen the Operational Risk Management Framework. The Operational Risk Policy and Procedure were reviewed and updated. As part of these enhancements, the Bank implemented a data classification system and a data leakage prevention framework to safeguard sensitive information and minimise data-related risks. The IT & Security Committee was also formed to bring more focused oversight to technology and security risks.

In terms of risk assessment and monitoring, the RCSA process was revamped to include new metrics to facilitate comprehensive assessment of branch-wise and region-wise Operational Risks. Additional branch visits were done to educate teams on the new procedures.

Business continuity and disaster recovery processes also saw significant updates. The BCP Working Committee focused on developing more practical and efficient approaches to business continuity management. Additionally, a seven-day consecutive BCP and DR drill was conducted successfully, going beyond the CBSL's standard one-day requirement. This extended drill, conducted for the first time, included weekend operations, enabling the Bank to evaluate its readiness for Saturday banking.

Recognising the growing importance of third-party vendor risk, the Bank initiated steps to strengthen oversight in this area. Plans were made to involve the Risk Management Division in vendor assessments and review vendors' business continuity plans to ensure uninterrupted operations and resilience in critical functions.

4.4 Operational Risk Outlook for 2025

Operational Risk management will focus on strengthening the risk governance frameworks and monitoring the cyber security trends with the guidance of IT risk framework, given the evolving regulatory requirement, technology advancement and economic challenges as the banking sector is expected to encounter heightened risks related to cyber security threats, fraud, regulatory compliance and operational disruptions driven by digital transformation initiatives.

5. Sustainability Risk

Sustainability Risk refers to the potential for adverse Environmental, Social, and Governance (ESG) factors to negatively impact the Bank's operations, reputation, financial performance, and long-term viability. Sustainability has emerged as a key risk for Amāna Bank due to the growing significance of ESG factors in the financial sector and the increasing expectations of regulators, customers and other stakeholders.

5.1 Sustainability Risk Update for 2024

In 2024, Amāna Bank made good headway in establishing a formal framework for monitoring sustainability risks, guided by the Board approved Policy for Sustainable Banking Initiatives. A dedicated Sustainability Committee was formed led by the Bank's Managing Director/CEO and comprising members of the Management Committee. This Committee is tasked with understanding the Bank's sustainability context and drawing up a plan to systematically integrate sustainability considerations into various aspects of the Bank's operations, including credit decisions.

5.2 Sustainability Risk Outlook for 2025

As a values-driven Bank committed to ethical banking principles, Amāna Bank is likely to face heightened scrutiny regarding its role in addressing climate change, resource conservation, and social equity. Hence it is imperative that the Bank establishes a comprehensive ESG Risk Framework, encompassing environmental risks (such as climate change and resource depletion), social risks (including labour practices and community impact), and governance risks (such as ethics and compliance). Further, this framework will be integrated into the CAR via the ICAAP, ensuring a holistic approach to managing sustainability risks.





A SPECTRUM OF GROWTH IN CARE

Through its 'We Care' mantra, Amāna Bank redefines service excellence, delivering empathy-driven, customer-first banking that prioritizes trust, reliability, and meaningful relationships.

INDEPENDENT AUDITOR'S REPORT



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TO THE SHAREHOLDERS OF AMANA BANK PLC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Amana Bank PLC ("the Bank"), which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Bank as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Bank in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Partners: D K Hulangamuwa FCA FCMA LLB (London), A P A Gunasekera FCA FCMA, Ms. Y A De Silva FCA, Ms. G S Manatunga FCA, W K B S P Fernando FCA FCMA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, N M Sulalman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA, B Vasanthan ACA ACMA, W D P L Perera ACA

Principals: T P M Ruberu FCCA FCCA MBA (USJ-SL), G B Goudian ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakthivel B.Com (Sp)

A member firm of Ernst & Young Global Limited

Key Audit Matter

Allowance for Impairment of Financing and Receivables to Other Customers measured at amortised cost.

Allowance for Impairment of Financing and Receivables to Other Customers measured at amortised cost as disclosed in Note 23, is determined by management based on the accounting policies described in Note 2.3.3 to the financial statements.

This was a key audit matter due to

- ▲ the involvement of significant management judgements, assumptions and level of uncertainty associated with estimating future cash flows to recover such financing and receivables to other customers; and
- ▲ the materiality of the reported amount of allowance for impairment.

Key areas of significant judgements, assumptions and estimates made by management in the assessment of allowance for impairment of financing and receivables to other customers include forward-looking macroeconomic scenarios, associated weightages and considerations that indicate significant increase in credit risk. These are subject to inherently heightened levels of estimation uncertainty.

Information of such key estimates, assumptions and judgements are disclosed in Notes 2.3.3 and 43.

How our audit addressed the key audit matter

In addressing the adequacy of allowance for Impairment of Financing and Receivables to other customers, our audit procedures included the following key procedures:

- ▲ Assessed the Bank's allowance for impairment computations with the underlying methodology including responses to economic conditions to its accounting policies, based on the best available information up to the date of our report.
- ▲ Evaluated the design, implementation, and operating effectiveness of controls over estimation of allowance for impairment, which included assessing the level of oversight, review, and approval of allowance for impairment, policies and procedures by the Board of Directors and management.
- ▲ Tested the completeness, accuracy and reasonableness of the underlying data used in the allowance for impairment by agreeing details to relevant source documents and accounting records of the Bank.
- ▲ Evaluated the reasonableness of credit quality assessments and related stage classifications
- ▲ The following procedures were also performed:
 - ▲ For financing and receivables for other customers assessed on an individual basis for impairment:
 - Tested the arithmetical accuracy of the underlying individual impairment calculations.
 - Evaluated the reasonableness of key inputs used in the allowance impairment made with economic conditions. Such evaluations were carried out considering the value and timing of cash flow forecasts particularly relating to elevated risk industries and status of recovery action of the collaterals.
 - ▲ For financing and receivables to other customers assessed on a collective basis for impairment:
 - Tested the key inputs and the calculations used in the allowances for impairment.
 - Assessed the reasonableness of judgements, assumptions and estimates used by the Management in the underlying methodology and the management overlays. Our testing included evaluating the reasonableness of forward-looking information used, economic scenarios considered, and probability weighting assigned to each scenario.
- ▲ Assessed the adequacy of the related financial statement disclosures set out in Notes 23 and 43.



Key Audit Matter

Information Technology (IT) systems related internal controls over financial reporting

Bank’s financial reporting process is significantly reliant on multiple IT systems with automated processes and internal controls. Further, key financial statement disclosures are prepared using data and reports generated by IT systems, that are compiled and formulated with the use of spreadsheets.

Accordingly, IT systems related internal controls over financial reporting were considered a key audit matter.

How our audit addressed the key audit matter

Our audit procedures included the following key procedures:

- ▲ Obtained an understanding of the internal control environment of the processes and tested relevant key controls relating to financial reporting and related disclosures.
- ▲ Involved our internal specialized resources and;
 - Identified, evaluated, and tested the design and operating effectiveness of IT systems related internal controls, including those related to user access and change management, and
 - Obtained a high-level understanding of the cybersecurity risks affecting the bank and the actions taken to address these risks primarily through inquiry.
- ▲ Tested source data of the reports used to generate disclosures for accuracy and completeness, including review of the general ledger reconciliations.

Other information included in the 2024 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor’s report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to

report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank’s financial reporting process.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in

the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's

report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Requirements of section 163(2) of the Companies Act No. 07 of 2007 and section 39 of the Banking Act No 30 of 1988 (as amended by Banking Act No.24 of 2024)

We have obtained all the information and explanations that were required for the audit. As far as appears from our examination, in our opinion, proper accounting records have been kept by the Bank.

In our opinion the disclosures made in the accompanying financial statements are in accordance with the requirements of Circular No.05 of 2024 issued by Central Bank of Sri Lanka.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 4839.

20 February 2025
Colombo

STATEMENT OF PROFIT AND LOSS

	Note	2024 Rs.	2023 Rs.
Financing Income	4	15,399,562,261	17,238,372,606
Financing Expenses	5	(8,525,272,891)	(10,743,449,941)
Net Financing Income		6,874,289,370	6,494,922,665
Net Fee and Commission Income	6	1,077,337,861	931,310,583
Net Trading Income	7	693,112,850	1,765,213,774
Net Gains / (Losses) from Financial Assets at Fair Value Through Profit or Loss	8	38,985,111	15,112,806
Net Gains / (Losses) from Derecognition of Financial Assets	9	(69,917)	982,956
Net Other Operating Income	10	5,989,723	2,982,534
Total Operating Income		8,689,644,998	9,210,525,318
Impairment on Financial Assets	11	(289,612,927)	(2,120,743,289)
Net Operating Income		8,400,032,071	7,089,782,029
Personnel Expenses	12	2,274,493,660	1,975,989,769
Depreciation of Property, Plant, Equipment and Right-of-Use Assets	26	256,903,664	249,465,480
Amortisation of Intangible Assets	27	64,936,795	58,137,560
Other Operating Expenses	13	2,012,679,625	1,587,478,916
Total Operating Expenses		4,609,013,744	3,871,071,725
Operating Profit Before VAT on Financial Services & Social Security Contribution Levy		3,791,018,327	3,218,710,304
VAT on Financial Services		(886,820,214)	(797,380,931)
Social Security Contribution Levy		(117,354,789)	(109,138,773)
Profit Before Tax		2,786,843,324	2,312,190,600
Tax Expense	14	(1,012,177,592)	(925,414,505)
Profit for the Year		1,774,665,732	1,386,776,095
Earnings Per Share - Basic	15	3.22	2.52
Earnings Per Share - Diluted	15	3.22	2.52

The Accounting Policies and Notes on pages 244 through 313 form an integral part of the Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

	Note	2024 Rs.	2023 Rs.
Profit for the Year		1,774,665,732	1,386,776,095
Other Comprehensive Income not to be Reclassified to Profit or Loss in Subsequent Periods:			
Financial Assets - Fair Value through Other Comprehensive Income:			
Change in Fair Value of Financial Assets - Fair Value through Other Comprehensive Income		29,710,098	(13,504,590)
Re-measurement Gain / (Loss) on Defined Benefit Plans	34	(36,125,421)	(5,003,581)
Deferred Tax Effect on Defined Benefit Plans		10,837,626	1,501,074
		(25,287,795)	(3,502,507)
Net Other Comprehensive Income not to be reclassified to Profit or Loss in Subsequent Periods:		4,422,303	(17,007,097)
Other Comprehensive Income/ (Loss) for the Year Net of Tax		4,422,303	(17,007,097)
Total Comprehensive Income for the Year		1,779,088,035	1,369,768,998

The Accounting Policies and Notes on pages 244 through 313 form an integral part of the Financial Statements.

STATEMENT OF FINANCIAL POSITION

	Note	2024 Rs.	2023 Rs.
Assets			
Cash and Cash Equivalents	17	17,070,764,566	11,100,863,400
Balance with Central Bank of Sri Lanka	18	7,078,039,326	9,446,862,668
Placements with Banks	19	38,311,689,750	42,474,569,846
Placements with Licensed Finance Companies	20	507,640,396	80,783
Derivative Financial Assets	21	177,460,850	194,267,095
Financial Assets Recognised through Profit or Loss - Measured at Fair Value	22	70,216,929	8,994,233
Financial Assets at Amortised Cost - Financing and Receivables to Other Customers	23	111,301,849,020	89,658,059,768
Financial Assets Measured at Fair Value through Other Comprehensive Income	24	348,710,504	319,000,406
Other Assets - Financial	25	2,829,580,181	2,006,908,679
Property, Plant, Equipment and Right-of-Use Assets	26	2,968,026,601	2,775,396,192
Intangible Assets	27	337,562,608	379,309,190
Other Assets - Non Financial	28	510,950,335	303,033,651
Deferred Tax Assets	29	824,316,848	784,429,734
Total Assets		182,336,807,914	159,451,775,645
Liabilities			
Due to Banks	30	18,949,309	321,166,526
Derivative Financial Liabilities	31	22,856,743	947,739
Financial Liabilities at Amortised Cost - Due to Depositors	32	154,405,710,056	132,937,607,047
Other Liabilities - Financial	33	4,099,974,790	3,391,138,093
Current Tax Liabilities		473,465,041	722,144,473
Dividend Payable		99,470,636	6,325,683
Retirement Benefit Liability	34	186,730,809	130,416,033
Other Liabilities - Non Financial	35	187,790,136	245,445,827
Total Liabilities		159,494,947,520	137,755,191,421

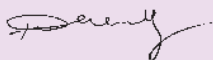
	Note	2024 Rs.	2023 Rs.
Shareholders' Funds			
Stated Capital	36	17,633,461,196	17,633,461,196
ESOP Reserve	51	78,517,838	50,978,808
Statutory Reserve Fund	37	355,174,057	266,440,770
Fair Value Reserve	38	101,599,044	71,888,946
Revaluation Reserve	39	1,006,064,886	1,007,189,831
Retained Earnings	40	3,667,043,373	2,666,624,673
Total Equity		22,841,860,394	21,696,584,224
Total Liabilities and Shareholders' Funds		182,336,807,914	159,451,775,645
Commitments and Contingencies	45	49,602,674,611	40,739,749,660
Net Assets Value per Share	41	41.45	39.37

I certify that these Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.



M. Ali Wahid
Chief Financial Officer

The Board of Directors is responsible for these Financial Statements. Signed for and on behalf of the Board by:



Ali Asghar Akbarally
Chairman



Mohamed Azmeer
Managing Director/CEO

The Accounting Policies and Notes on pages 244 through 313 form an integral part of the Financial Statements.

20 February 2025
Colombo

STATEMENT OF CHANGES IN EQUITY

	Note	Stated Capital Rs.	ESOP Reserve Rs.	Statutory Reserve Fund Rs.	Fair Value Reserve Rs.	Revaluation Reserve Rs.	Retained Earnings Rs.	Total Rs.
As at 1 January 2023	36	11,348,821,130	-	197,101,965	85,393,536	1,008,276,291	1,721,762,142	14,361,355,064
Profit for the Year		-	-	-	-	-	1,386,776,095	1,386,776,095
Other Comprehensive Income	38	-	-	-	(13,504,590)	-	(3,502,507)	(17,007,097)
Interim Scrip Dividend 2023		283,962,845	-	-	-	-	(283,962,845)	-
WHT on Scrip Dividend		-	-	-	-	-	(50,111,096)	(50,111,096)
Rights Issue	36	6,000,677,221	-	-	-	-	-	6,000,677,221
Share Issue Expenses		-	-	-	-	-	(36,084,771)	(36,084,771)
Share-Based Payment Expense	51	-	50,978,808	-	-	-	-	50,978,808
Transfers to Statutory Reserve Fund	37	-	-	69,338,805	-	-	(69,338,805)	-
Transferred to Retained Earnings	40	-	-	-	-	(1,086,460)	1,086,460	-
As at 31 December 2023		17,633,461,196	50,978,808	266,440,770	71,888,946	1,007,189,831	2,666,624,673	21,696,584,224
Profit for the Year		-	-	-	-	-	1,774,665,732	1,774,665,732
Other Comprehensive Income	38	-	-	-	29,710,098	-	(25,287,795)	4,422,303
Interim Dividend 2024		-	-	-	-	-	(661,350,895)	(661,350,895)
Share-Based Payment Expense	51	-	27,539,030	-	-	-	-	27,539,030
Transfers to Statutory Reserve Fund	37	-	-	88,733,287	-	-	(88,733,287)	-
Transferred to Retained Earnings	40	-	-	-	-	(1,124,945)	1,124,945	-
As at 31 December 2024		17,633,461,196	78,517,838	355,174,057	101,599,044	1,006,064,886	3,667,043,373	22,841,860,394

The Accounting Policies and Notes on pages 244 through 313 form an integral part of the Financial Statements.

STATEMENT OF CASH FLOWS

	Note	2024 Rs.	2023 Rs.
Cash Flow from Operating Activities			
Financing Income Received		15,707,102,349	17,935,909,395
Fee and Commission Received		1,074,221,675	932,293,539
Financing Expenses Paid		(9,296,579,758)	(9,910,639,207)
Foreign Exchange Income Received		693,112,850	1,765,213,774
Gratuity Payments Made	34	(13,472,750)	(18,784,553)
Payments to Employees and Suppliers		(5,230,147,153)	(4,384,224,212)
Operating Profit before Changes in Operating Assets and Liabilities (Note A)		2,934,237,213	6,319,768,736
(Increase) / Decrease in Operating Assets			
Financing and Receivables to Other Customers		(21,933,497,525)	(8,583,665,332)
Other Financial Assets		(921,644,258)	(351,643,742)
Other Non Financial Assets		(207,916,684)	(128,321,076)
Balance with Central Bank of Sri Lanka		2,368,823,342	(4,361,183,605)
Increase / (Decrease) in Operating Liabilities			
Due to Depositors		22,251,557,030	19,621,914,385
Due to Banks		(302,217,217)	(11,535,556,409)
Other Liabilities		689,896,255	1,501,531,152
Net Cash Generated from Operating Activities before Income Tax		4,879,238,156	2,482,844,109
Income Tax Paid		(1,289,906,511)	(1,136,264,701)
Net Cash (Used in)/From Operating Activities		3,589,331,645	1,346,579,408
Cash Flows from Investing Activities			
Acquisition of Property, Plant and Equipment		(257,710,731)	(101,650,537)
Proceeds from Sale of Property, Plant and Equipment		72,034	47,826
Acquisition of Intangible Assets		(130,399,413)	(118,193,401)
Placements with Licensed Finance Companies		(500,002,951)	(3,671)
Placements with Banks		3,849,994,807	(18,610,005,525)
Dividend Received from Financial Assets		5,917,689	2,934,708
Financial Assets Recognised through Profit or Loss - Measured at Fair Value		(19,191,316)	65,679,670
Net Cash (Used)/From Investing Activities		2,948,680,119	(18,761,190,930)
Cash Flows from Financing Activities			
Rights Issue of Shares		-	6,000,677,221
Share Issue Expenses		-	(86,195,867)
Dividend Paid		(568,205,943)	(26,025)
Net Cash (Used in)/From Financing Activities		(568,205,943)	5,914,455,329
Net Increase / (Decrease) in Cash and Cash Equivalents		5,969,805,821	(11,500,156,193)
Cash and Cash Equivalents at the Beginning of the Year		11,107,767,402	22,607,923,595
Cash and Cash Equivalents at the End of the Year	17	17,077,573,223	11,107,767,402
Note A			
Reconciliation of Operating Profit			
Profit Before Tax		2,786,843,324	2,312,190,600
Depreciation of Property, Plant, Equipment and Right-of-Use Assets	26	256,903,664	249,465,480
Amortisation of Intangible Assets	27	64,936,795	58,137,560
(Profit)/Loss on Disposal of Equity		(3,046,269)	-
(Profit) / Loss on Disposal of Property, Plant and Equipment	10	(72,034)	(47,826)
Impairment on Financial Assets	11	289,612,927	2,120,743,289
Provision for Gratuity	34	33,662,105	34,785,369
(Increase) / Decrease in Placement Income Receivable		307,540,088	697,536,789
Increase / (Decrease) in Profit Payable		(783,454,021)	769,675,433
Other Non Cash Items		39,686,184	114,114,109
Dividend Income (Net)		(5,917,689)	(2,934,708)
Gratuity Payments	34	(13,472,750)	(18,784,553)
(Profit) / Loss on Mark to Market Valuation		(38,985,111)	(15,112,806)
		2,934,237,213	6,319,768,736

The Accounting Policies and Notes on pages 244 through 313 form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1 General

Amāna Bank PLC ('the Bank') is a licensed commercial bank established under the Banking Act No. 30 of 1988 ('Banking Act') and amendments thereto. It is a public limited liability company incorporated on 5 February 2009 and is domiciled in Sri Lanka. The registered office of the Bank is located at No. 486, Galle Road, Colombo 3. The Bank commenced commercial banking operations on 1 August 2011. The shares of the Bank are listed on the Colombo Stock Exchange. The Bank does not have an identifiable parent, nor does it have investments in subsidiaries, associates or joint-ventures.

The Bank's network comprised of 33 (2023 – 33) branches whilst its staff strength was 899 (2023 – 886).

1.2 Principal Activities

The principal activities of the Bank continue to be providing banking and related activities such as accepting customer deposits, personal banking, lease financing, home and property financing, gold facilities, resident and non-resident foreign currency operations, trade financing, import and export financing, equipment and machinery financing, working capital financing and project financing.

1.3 Parent Entity and Ultimate Parent Entity

The Bank does not have an identifiable parent of its own.

1.4 Date of Authorisation of Issue

The Financial Statements of Amāna Bank PLC for the year ended 31 December 2024 were authorised for issue in accordance

with a resolution of the Board of Directors on 20 February 2025.

2.1 BASIS OF PREPARATION

2.1.1 Basis of Measurement

The Financial Statements are prepared under the historical cost basis, except for, Derivative Financial Instruments, Financial Assets recognised through Profit or Loss, Financial Assets recognised through Other Comprehensive Income, Freehold Land and Building and Retirement Benefit Liability, all of which have been measured at fair value.

The Financial Statements are presented in Sri Lankan Rupees (Rs.), except as otherwise indicated.

2.1.2 Statement of Compliance

The Financial Statements of the Bank, which comprise the Statement of Comprehensive Income (Profit or Loss and Other Comprehensive Income), Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements have been prepared and presented in accordance with Sri Lanka Accounting Standards (SLFRSs and LKASs) laid down by the Institute of Chartered Accountants of Sri Lanka and in compliance with the requirements of the Companies Act No. 07 of 2007. The presentation of the Financial Statements is also in compliance with the requirements of the Banking Act No.30 of 1988 and amendments thereto and provide appropriate disclosures as required by the Listing Rules of the CSE.

The formats used for preparation and presentation of Financial Statements and the disclosures made therein also

comply with the format specified by the Central Bank of Sri Lanka in Circular No. 05 of 2024 on "Publication of Annual and Quarterly Financial Statements and Other Disclosures by Licensed Banks". The Bank also publishes annual and quarterly financial information and other disclosures in the Press and on the Website in compliance with the aforementioned Circular.

2.1.3 Presentation of Financial Statements

The Bank presents its Statement of Financial Position broadly in order of liquidity. An analysis regarding recovery or settlement within 12 months after the Statement of Financial Position date (current) and more than 12 months after the Statement of Financial Position date (non-current) is presented in Note 44.

Financial Assets and Financial Liabilities are offset and the net amount is reported in the Statement of Financial Position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. Income and expense is not offset in the Statement of Profit or Loss unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Bank.

The Financial Statements of the Bank provide comparative information in respect of the previous period.

2.1.4 Going Concern

The Board of Directors of the Bank has made an assessment of its ability

to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Board of Directors is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern. Therefore, the Financial Statements continue to be prepared on the going concern basis.

2.2 Significant Accounting Judgments, Estimates and Assumptions

The preparation of Financial Statements of the Bank in conformity with Sri Lanka Accounting Standards, requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The most significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have most significant effect on the amounts recognised in the Financial Statements of the Bank are as follows:

a. Fair Value of Property, Plant and Equipment

The Freehold Land and Buildings of the Bank are reflected at fair value. The management determined that these

constitute class of assets under SLFRS 13, based on the nature, characteristics and risks of the properties. The Bank engages independent valuers to determine fair value of Freehold Land and Building. When current market prices of similar assets are available, such evidence is considered in estimating fair values of these assets using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

The valuation techniques and assumption used to determine the fair value of Property, Plant and Equipment and the sensitivity on the amounts presented are disclosed in Note 26 to the Financial Statements.

b. Fair value of Financial Instruments

Where the fair values of Financial Assets and Financial Liabilities are recorded in the Statement of Financial Position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The valuation of Financial Instruments is described in more detail in Note 42.

c. Impairment Losses on Financing and Receivables to Other Customers

The Bank reviews its individually significant Financing and Receivables to Other Customers at each reporting date to assess whether an impairment loss should be recorded in the Statement of Profit or Loss. In particular, management's judgment is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. These estimates are based on assumptions about a number of factors

and actual results may differ, resulting in future changes to the impairment allowance.

Financing and Receivables to Other Customers that have been assessed individually and found not to be impaired and all individually insignificant Financing and Receivables to Other Customers are then assessed collectively, in groups of assets with similar risk characteristics, to determine whether provision should be made due to Expected Credit Loss (ECL), events for which there is objective evidence, but the effects of which are not yet evident.

The impairment loss on Financing and Receivables to Other Customers is disclosed in more detail in Note 11 and Note 23.4

The Bank's recognition of default corresponds with Banking Act Directions No. 13 of 2021 issued by Central Bank of Sri Lanka, governing Classification, Recognition and Measurement of Credit Facilities and Classification, Recognition and Measurement of Financial Assets Other than Credit Facilities in Licensed Banks respectively.

The Bank considers Financing and Receivables to Other Customers to be in default when contractual payments of a customer becomes past due for more than 90 days and any other credit facilities classified as Stage 3 under SLFRS 9 – Financial Instruments.

Collateral Valuation

The Bank seeks to use collateral, where possible, to mitigate its risks on financial assets. The collateral comes in various forms such as cash, gold, securities,

letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting arrangements. The fair value of collateral is generally assessed, at a minimum, at inception and based on the Bank's approved valuation policy.

To the extent possible, the Bank uses active market data for valuing financial assets, held as collateral. Other financial assets which do not have a readily determinable market value are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as independent professional valuers.

d. Deferred Tax Assets

Deferred tax assets are recognised in respect of tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits, together with future tax planning strategies.

Details on deferred tax assets are disclosed in Note 29.

e. Defined Benefit Plans

The cost of the defined benefit plan is determined using an actuarial valuation. The actuarial valuation involves making assumptions about discount rates, salary increment rate, age of retirement, and mortality rates. Due to the long term nature of these plans, such estimates are subject to significant uncertainty.

Assumptions used are reviewed at each reporting date and disclosed in Note 34.

f. Commitments and Contingencies

All discernible risks are accounted for in determining the amount of all known liabilities. Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be reliably measured.

Contingent liabilities are not recognised in the Statement of Financial Position but are disclosed unless they are remote.

Commitments and Contingencies are subject to ECL and relevant details are disclosed in Note. 45

2.3 Summary of Material Accounting Policy Information

2.3.1 Foreign Currency Transactions and Balances

These Financial Statements are presented in Sri Lankan Rupees (Rs.) which is the Bank's functional and presentation currency.

Transactions in foreign currencies are initially recorded at the spot rate of exchange prevailing at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange, at the reporting date. All differences arising on non-trading activities are taken to Net Other Operating Income in the Statement of Profit or Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the

exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined.

Promissory Forward Exchange transactions are valued at forward market rates prevailing on the date of the reporting date. The resulting net unrealised gains or losses are dealt within the Statement of Profit or Loss.

2.3.2 Derivative Financial Instruments

Derivatives are financial instruments that derive their value in response to changes in market rates, financial instrument prices, commodity prices, foreign exchange rates and credit risk indices.

Derivatives are initially recognised at fair value at the date the derivative transaction is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit or Loss immediately.

Derivative assets/liabilities represent the Promissory Forward Exchange transactions as at the reporting date.

2.3.3 Non-Derivative Financial Instruments

a. Date of Recognition

All Non-Derivative Financial Assets and Liabilities are initially recognised on the trade date (i.e. the date that the Bank becomes a party to the contractual provisions of the instrument). This includes 'regular way trades': purchases or sales of financial assets that require delivery of assets within the time frame

generally established by regulation or convention in the market place.

b. Initial Measurement of Financial Instruments

The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention in acquiring them. All financial instruments are measured initially at their fair value plus transaction costs, except in the case of Financial Assets and Financial Liabilities which are recorded at Fair Value through Profit or Loss. Transaction costs in relation to Financial Assets and Financial Liabilities at Fair Value through Profit or Loss are dealt within the Statement of Profit or Loss.

c. 'Day 1' Profit or Loss

When the transaction price differs from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets, the Bank immediately recognises the difference between the transaction price and fair value (a 'Day 1' profit or loss) in Statement of Profit or Loss. In cases where fair value is determined using data which is not observable, the difference between the transaction price and model value is only recognised in the Statement of Profit or Loss when the inputs become observable, or when the instrument is derecognised.

d. Financial Instruments

(i) Classification of Financial Instruments

The Bank classifies its Financial Assets into the following measurement categories:

Measured at fair value (either through other Comprehensive Income, or through Profit or Loss); and Measured at amortised cost.

The classification depends on the Bank's business model for managing Financial Assets and the contractual terms of the Financial Assets' cash flows.

The Bank classifies its Financial Liabilities at amortised cost unless it has designated liabilities at fair value through Profit or Loss or is required to measure liabilities at fair value through Profit or Loss such as Derivative Liabilities.

(ii) Financial Assets Measured at Amortised Cost

Placements, Financing and Receivables to Other Customers and Other Financial Assets are measured at amortised cost where they have contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and profits on the principal amount outstanding; and are held within a business model whose objective is achieved by holding to collect contractual cash flows.

These instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost. The measurement of credit impairment is based on the three-stage expected credit loss model described below in Note (v) Impairment of Financial Assets.

(iii) Financial Assets Measured at Fair Value through Other Comprehensive Income

Equity instruments

Investment in equity instruments that are neither Trading Financial Assets recognised through Profit or Loss, nor contingent consideration recognised by the Bank in a business combination to which SLFRS 3 'Business Combination' applies, are measured at fair value through other Comprehensive Income, where an irrevocable election has been made by management. For portfolios where management does not consider an irrevocable election of adopting fair value through Other Comprehensive Income, by default such investments shall be measured at fair value through Profit or Loss.

Amounts presented in Other Comprehensive Income are not subsequently transferred to Profit or Loss. Dividends on such investments are recognised in Profit or Loss.

(iv) Fair Value through Profit or Loss

Fair Value through Profit or Loss comprise:

Financial Investments - For Trading; and Instruments with contractual terms that do not represent solely payments of Principal and Profit.

Financial Instruments held at fair value through Profit or Loss are initially recognised at fair value, with transaction costs recognised in the Statement of Profit or Loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the Statement of Profit or Loss as they arise.

Where a Financial Asset is measured at fair value, a credit valuation adjustment is included to reflect the credit worthiness

of the counterparty, representing the movement in fair value attributable to changes in credit risk.

(a) Financial Investments - For Trading

A Financial Investment is classified as Financial Assets recognised through Profit or Loss if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term, or forms part of a portfolio of Financial Instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not in a qualifying hedge relationship.

Trading derivatives and trading securities are classified as Financial Assets recognised through Profit or Loss and recognised at fair value. Refer Note 21 & 31 for Trading Derivative Assets and Liabilities, and Note 22 for Trading securities.

(b) Financial Instruments Designated as Measured at Fair Value through Profit or Loss

Upon initial recognition, Financial Instruments may be designated as measured at fair value through Profit or Loss. A Financial Asset may only be designated at fair value through Profit or Loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring Financial Assets or Liabilities on a different basis.

A Financial Liability may be designated at fair value through Profit or Loss if it eliminates or significantly reduces an accounting mismatch or host contract

contains one or more embedded derivatives; or Financial Assets and Liabilities are both managed and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a Financial Liability is designated at Fair Value through Profit or Loss, the movement in fair value attributable to changes in the Bank's own credit quality is calculated by determining the changes in credit spreads above observable market rates and is presented separately in Other Comprehensive Income.

(v) Impairment of Financial Assets

The Bank applies a three-stage approach to measuring Expected Credit Losses (ECLs) for the following categories of financial assets that are not measured at fair value through profit or loss:

Debt Instruments

- Instruments measured at Amortised Cost and Fair Value through Other Comprehensive Income;
- Financing and Receivables commitments; and
- Financial Guarantee Contracts
- ECL is not recognised on equity instruments.

Financial Assets migrate through the following three stages based on the change in credit risk since initial recognition:

Stage 1: 12-months ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion

of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised. Bank determines 12 month ECL from customers who are not significantly credit deteriorated (i.e. less than 30 days past due)

Stage 2: Lifetime ECL – not Credit Impaired

For exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired, a lifetime ECL (i.e. reflecting the remaining lifetime of the Financial Asset) is recognised.

In being consistent with the policies of the Bank, significant deterioration is measured through the rebuttable presumption of 30 days past due in line with the requirements of the standard.

In terms of qualitative assessments of whether an individually significant customer's exposure is subject to a significant increase in credit risk or default, the Bank considers a variety of instances that may signal customer's inability to service the facility. When such events occur, the Bank will carefully consider the developments and decide if such events will give rise to a customer default to be assessed as Stage 3 or if Stage 2 is sufficient for ECL computation purposes. Events include downgrade of customer rating, negative impact on customers' performance either due to future adverse economic conditions or significant change in geographical locations/natural disasters, litigations affecting the repayment capacity, frequent management changes, requests for modifications of original terms of the

facility, the customer becoming insolvent/deceased reduction in Turnover/PBT of 50% or more compared to previous year for two consecutive years and erosion of net worth of the customer by more than 25% when compared to previous year.

Stage 3: Lifetime ECL – Credit Impaired

Exposures are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For exposures that have become credit impaired, a lifetime ECL is recognised and Financing Income is calculated by applying the Effective Rate to the amortised cost (net of provision) rather than the gross carrying amount.

Determining the Stage for Impairment

At each reporting date, the Bank assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Bank considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the provision for impairment loss reverts from lifetime ECL to 12-months ECL. Exposures that have not deteriorated significantly since origination, or where the deterioration remains within the

Bank's investment grade criteria, or which are less than 30 days past due, are considered to have a low credit risk. The provision for impairment loss for these Financial Assets is based on a 12-months ECL. When an asset is uncollectible, it is written off against the related provision. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off reduce the amount of the expense in the Statement of Profit or Loss.

The Bank assesses whether the credit risk on an exposure has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, Financial Instruments are grouped on the basis of shared credit risk characteristics, taking into account instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower and other relevant factors.

Measurement of ECLs

ECLs are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- ▲ Financial Assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls over the expected life of the Financial Asset discounted by the effective rate. The cash shortfall is the difference between the cash flows due to the Bank in accordance with the contract and the cash flows that the Bank expects to receive.
- ▲ Financial Assets that are credit-impaired at the reporting date is calculated as the difference between

the gross carrying amount and the present value of estimated future cash flows discounted by the effective rate.

- ▲ Undrawn commitments: as the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive.
- ▲ Financial Guarantee Contracts: as the expected payments to reimburse the holder less any amounts that the Bank expects to recover.

For further details on how the Bank calculates ECLs including the use of forward looking information, refer to the Credit quality of Financial Assets section in Note 23. For details on the effect of modifications of Financing and Receivables on the measurement of ECL refer to note on Provision for expected credit loss.

ECLs are recognised using a provision for impairment loss account in Statement of Profit or Loss. The Bank recognises the provision charge in Statement of Profit or Loss, with the corresponding amount recognised in other Comprehensive Income, with no reduction in the carrying amount of the asset in the Statement of Financial Position, where applicable.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows.

PD : The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD : The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of capital and financing income, whether scheduled by contract or otherwise, expected draw downs on committed facilities, and accrued financing income from missed payments.

LGD : The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Bank would expect to receive, including the realisation of any collateral. In estimating LGD for ECL computations, the Bank will use historic data of the product/economic life cycle which is currently up to 6 years from the date of reporting before arriving at an average.

Rescheduled and Restructured Advances

The Bank, at times, modifies the contractual cash flows based on borrower's financial difficulties, rather than pursuing legal action or taking possession of any collateral at the outset. Such credit facilities with modified cash flows are considered as rescheduled or restructured advances. Rescheduling or restructuring credit facilities may involve extending the payment arrangement and the agreement of new facility conditions. Once the terms have been renegotiated, any impairment is measured using the original effective profit rate as calculated before the modification of terms. It is the Bank's policy to monitor rescheduled and restructured credit facilities to ensure that regular repayments occur based on revised terms. Rescheduled

and restructured credit facilities are at minimum classified as Stage 2 at the date of the modification of such facilities.

(vi) Recognition and Derecognition of Financial Instruments

A Financial Asset or Financial Liability is recognised in the Statement of Financial Position when the Bank becomes a party to the contractual provisions of the instrument, which is generally on trade date. Financing and Receivables are recognised when cash is advanced (or settled) to the borrowers.

Financial Assets at fair value through Profit or Loss are recognised initially at fair value. All other Financial Assets are recognised initially at fair value plus directly attributable transaction costs.

The Bank derecognises a Financial Asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the Financial Asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any income in transferred Financial Assets that is created or retained by the Bank is recognised as a separate asset or liability.

A Financial Liability is derecognised from the Statement of Financial Position when the Bank has discharged its obligation or the contract is cancelled or expires.

(vii) Offsetting

Financial Assets and Liabilities are offset and the net amount is presented in the Statement of Financial Position when the Bank has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

e. Critical Accounting Assumptions and Estimates Applicable for Financial Assets

The application of the Bank's accounting policies requires the use of judgements, estimates and assumptions. If different assumptions or estimates were applied, the resulting values would change, impacting the net assets and income of the Bank.

Assumptions made at each reporting date are based on best estimates at that date. Although the Bank has internal control systems in place to ensure that estimates are reliably measured, actual amounts may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The accounting policies which are most sensitive to the use of judgement, estimates and assumptions are specified below.

(i) Fair value measurement

A significant portion of Financial Instruments are carried on the Statement of Financial Position at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Where the classification of a Financial Asset or Liability results in it being measured at fair value, wherever possible, the fair value is determined by reference to the quoted bid or offer price in the most advantageous active

market to which the Bank has immediate access. An adjustment for credit risk is also incorporated into the fair value as appropriate.

Fair value for a net open position that is a Financial Liability quoted in an active market is the current offer price, and for a Financial Asset the bid price, multiplied by the number of units of the instrument held or issued.

Where no active market exists for a particular asset or liability, the Bank uses a valuation technique to arrive at the fair value, including the use of transaction prices obtained in recent arm’s length transactions, discounted cash flow analysis, option pricing models and other valuation techniques, based on market conditions and risks existing at reporting date. In doing so, fair value is estimated using a valuation technique that makes maximum use of observable market inputs and places minimal reliance upon entity-specific inputs.

The best evidence of the fair value of a Financial Instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Bank recognises the difference between the transaction price and the fair value in profit or loss on initial recognition (i.e. on day 1).

(ii) Impairment Charges on Financing and Receivables

Judgment is required by management in the estimation of the amount and timing of future cash flows when determining an impairment loss for Financing and Receivables. In estimating these cash flows, the Bank makes judgments about the customer’s financial situation and the net realisable value of collateral. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the impairment allowance.

A collective assessment of impairment takes into account data from the advance portfolio (such as credit quality, levels of arrears, credit utilisation, advances to collateral ratios, etc.), and concentrations of risk and economic data (including levels of Unemployment, Inflation, GDP Growth Rate, Benchmarked PLR, Exchange Rate, Country Risk and the performance of different individual groups) which is used to arrive at the Economic Factor Adjustment. In addition to the above quantitative economic factors, qualitative drivers of credit risk such as Status of the Industry Business, Regulatory Impact and Government Policies were considered for the Economic Factor Adjustment.

The impairment loss on Financing and Receivables is disclosed in more detail in Note 23 - Financial Assets at Amortised Cost - Financing and Receivables to Other Customers.

The Bank considers multiple scenarios with different weightages in its ECL model. The applicable scenarios with the respective weightages are as follows:

Scenario	2024	2023
Base Case	25%	25%
Best Case	15%	15%
Worst Case	60%	60%

Additionally, a sensitivity analysis performed by the Bank based on a shift in weightages of 5% each out of Base case and Best case scenarios into the worst case scenario, will increase the collective impairment provision by an estimated Rs. 33 million (2023 – Rs. 29 million) as at 31 December 2024.

2.3.4 Other Assets - Financial

Other Financial Assets are stated at cost less impairment for unrecoverable amount.

2.3.5 Other Assets - Non Financial

Other Non-Financial Assets are valued net of specific provision, where necessary, so as to reduce the carrying value of such assets to their estimated realisable value.

2.3.6 Property, Plant and Equipment and Right-of-Use Assets

Property, Plant and Equipment are tangible items that are held for use in the production or supply of goods or services, for rental to others or for administrative purposes and are expected to be used during more than one period.

(a) Valuation

Freehold Land and Buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

A revaluation surplus is recorded in Statement of Other Comprehensive Income and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in Statement of Profit or Loss, the increase is recognised in Statement of Profit or Loss. A revaluation deficit is recognised in the Statement of Profit or Loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

(b) Cost

Property, Plant and Equipment other than Freehold Land and Building is stated at cost, excluding the costs of day to day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of the Property, plant and equipment when that cost is incurred, if the recognition criteria are met.

(c) Depreciation

The provision for depreciation is calculated by using a straight line method on the cost or valuation of all Property, Plant and Equipment other than freehold land, in order to write off such amounts over the estimated useful lives by equal installments.

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

The useful lives of the assets are estimated as follows:

	2024	2023
Freehold Buildings	40 years	40 years
Furniture and Fittings	5 years	5 years
Office and Other Equipment	5 - 6 years	5 - 6 years
Computer Equipment	5 - 6 years	5 - 6 years
Motor Vehicles	4 years	4 years
Computer Servers	5 years	5 years
Improvements to Leasehold Premises	Over the Period of Lease or Useful Life whichever is lower	Over the Period of Lease or Useful Life whichever is lower

(d) De-recognition

An Item of Property, Plant and Equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss in the year the asset is de-recognised.

(e) Right-of-Use Assets

The Bank applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which have been applied by the Bank.

The Bank also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

2.3.7 Intangible Assets

The Bank's Intangible Assets include the value of computer software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits attributable to it will flow to the Bank.

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives as follows:

	2024	2023
Computer Software	10 years	10 years

De-recognition of Intangible Assets

The carrying amount of an item of intangible asset is de-recognised on disposal or when no future economic benefits are expected from its use. The gain or loss arising from de-recognition of an item of intangible asset is included in the Statement of Profit or Loss in the year the item is de-recognised.

2.3.8 Leasing

The determination of whether an arrangement is a lease, or it contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

a) Finance Lease

Agreements which transfer to counterparties substantially all the risks and rewards incidental to the ownership of assets, but not necessarily legal title, are classified as finance leases.

The Bank has no agreement that is to be recognised as finance lease as at the reporting date.

b) Operating Lease

All other leases are classified as operating leases. When acting as lessor, the Bank includes the assets subject to operating leases in 'Property, Plant and Equipment' and accounts for them accordingly. Impairment losses are recognised to the extent that residual values are not fully recoverable and the carrying value of the assets is thereby impaired.

2.3.9 Retirement Benefit Liability

(a) Defined Benefit Plan – Gratuity

Based on the Sri Lanka Accounting Standard LKAS 19 - Employee Benefits, the Bank has adopted the actuarial valuation technique to ascertain the retirement benefit liability. An Actuarial Valuation has been carried out as at 31 December 2023 by a qualified actuary using projected unit credit method.

The principal assumptions, which have the most significant effects on the valuation, are the rate of discount, rate of increase in salary, rate of turnover at the selected ages, rate of disability, death benefits and expenses.

The defined benefit plan liability is discounted using rates equivalent to the market yields at the reporting date that are denominated in the currency in which benefits will be paid, and that have a maturity approximating to the terms of the related pension liability.

The Bank recognises the total actuarial gains and losses that arise in calculating the Bank's obligation in respect of the

plan in the Statement of Comprehensive Income during the period in which it occurs.

However, according to the Payment of Gratuity Act No. 12 of 1983, the liability for payment to an employee arises only after the completion of 5 years continued service. The liability is not externally funded.

Details of the key assumptions used in the estimates are contained in Note 34 to the Financial Statements.

(b) Defined Contribution Plan - Employees' Provident Fund and Employees' Trust Fund

Employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with the respective Statutes and Regulations. The Bank contributes 12% and 3% of gross salary, respectively.

2.3.10 Provisions

Provisions are recognised when the Bank has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the Statement of Profit or Loss net of any reimbursement.

2.3.11 Taxes

(a) Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The

tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current income tax computation is based on the provisions of the Inland Revenue Act No. 24 of 2017 is the principal enactment as amended by Inland Revenue (Amendment) Act, No.10 of 2021 and any subsequent amendments thereto enacted (or substantively enacted) as at the end of the reporting period.

The provision for Income Tax is based on the elements of income and expenditure as reported in the Financial Statements and computed in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and amendments thereto at the rates specified in Note 14 to the Financial Statements.

(b) Deferred Tax

Deferred income tax is provided, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable

profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised, except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss and at the time of the transaction, does not give rise to equal taxable & deductible temporary differences.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit or Loss.

(c) Value Added Tax on Financial Services and Social Security Contribution Levy

The Bank's total value addition is subjected to a 18% Value Added Tax on Financial Services as per Section 25A of the Value Added Tax Act No. 14 of 2002 and amendments thereto.

Social Security Contribution Levy (SSCL) on Financial Services (value addition) is calculated in accordance with the Social Security Contribution Levy Act, No. 25 of 2022 and value addition is computed based on the guidelines given under the Value Added Tax (VAT) Act No. 14 of 2002 and subsequent amendments thereto. The SSCL rate applied in 2024 is 2.5% (with effect from 01 October 2022).

(d) IFRIC Interpretation 23 "Uncertainty over Income Tax Treatment"

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of LKAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of LKAS 12, nor does it specifically include requirements relating to finance costs and penalties associated within certain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Bank determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Bank applies significant judgement in identifying uncertainties over income tax treatments. Since the Bank operates in a complex environment, it assessed whether the interpretation had an impact on its Financial Statements. Upon adoption of the interpretation, the Bank considered whether it has any uncertain tax positions, particularly those relating to transfer pricing. The Bank determined, based on its tax compliance and transfer pricing study that it is probable that its tax treatments will be accepted by the taxation authorities. The interpretation did not have an impact on the Financial Statements of the Bank.

The Bank has consistently applied the accounting policies for all periods presented in these Financial Statements.

2.3.12 Recognition of Financial Income and Expenses

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

(a) Income

Financing income and expenses are recognised in Statement of Profit or Loss using the Effective Profit Rate (EPR).

The EPR is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the Financial Asset or Liability (or, where appropriate, a shorter period) to the carrying amount of the Financial Asset or Liability.

When calculating the EPR, the Bank estimates future cash flows considering all contractual terms of the Financial Instrument, but not future credit losses. The calculation of the EPR includes all fees and points paid or received that are an integral part of the effective profit rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a Financial Asset or Liability.

(b) Fee and Commission Income

Fee and Commission Income and expense that are integral to the EPR on a Financial Asset or Liability are included in the measurement of the EPR.

The Bank earns Fee and Commission Income from a diverse range of services it provides to its customers comprising of fees receivable from customers for issuing Letters of credit, guarantees, account servicing fees, legal fees and other services provided by the Bank and are recognised as the related services are performed.

(c) Dividend Income

Dividend Income is recognised when the Bank's right to receive the payment is established.

(d) Net Trading Income

Results arising from gains and losses on spot and promissory forward transactions.

(e) Short Term Employee Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided, and are included under Personnel Expenses in the Statement of

Profit or Loss. A liability is recognised for the amounts expected to be paid under short-term ex-gratia payments if the Bank has a present legal or constructive obligation to pay this amount as a result of past service rendered by the employee and the obligation can be measured reliably.

2.3.13 Financial Guarantees

In the ordinary course of business, the Bank gives Financial Guarantees, consisting of letters of credit, guarantees and acceptances. Financial Guarantees are initially recognised in the Financial Statements (within 'Other Liabilities') at fair value, being the premium received. Subsequent to initial recognition, the Bank's Liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the Statement of Profit or Loss, and the best estimate of expenditure required to settle any financial obligation arising as a result of the guarantee.

Any increase in the Liability relating to Financial Guarantees is recorded in the Statement of Profit or Loss under Impairment on Financial Assets. The premium received is recognised in the Statement of Profit or Loss in 'Net Fee and Commission Income' on a straight line basis over the life of the guarantee.

2.3.14 Segment Reporting

A Segment is a distinguishable component of the Bank that is engaged in providing services (Business Segments) or in providing services within a particular economic environment (Geographical Segment) which is subject to risks and rewards that are different from those of other segments.

In accordance with the Sri Lanka Accounting Standard SLFRS 8 - 'Segmental Reporting', segmental information is presented in respect of the Bank based on Bank's management and internal reporting structure.

The Bank's segmental reporting is based on the following operating segments.

- ▲ **Consumer Banking:** Individual customers' deposits and consumer financing including asset financing, lease financing, gold facilities, home and property financing.
- ▲ **Business Banking:** Deposits of corporate and SME customers, trade financing, overdraft, equipment and machinery financing, working capital financing, lease financing and other credit facilities.
- ▲ **Treasury:** Placements of funds with other banks and financial institutions, equity investments and managing exposures in foreign exchange.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss of respective segment.

Details of segment reporting are given in Note 3 to the Financial Statements.

2.3.15 Earnings Per Share

Earnings Per Share is calculated by dividing profit or loss attributable to Ordinary Shareholders of the Bank by the weighted average number of ordinary shares outstanding for the period.

Details of Earnings Per Share are given in Note 15 to the Financial Statements.

2.3.16 Statement of Cash Flow

The cash flow statement has been prepared using the direct method of preparing cash flows in accordance with the Sri Lanka Accounting Standard (LKAS 7) - Statement of Cash Flows whereby gross cash receipts and gross cash payments of operating activities, financing activities and investing activities have been recognised. Cash and cash equivalents comprise of short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

The cash and cash equivalents include cash in hand and balances with banks.

2.3.17 Impact of Climate Risk

In the normal course of business, the Bank and its customers are exposed to the physical risks arising from climate change. Most climate-related physical risks are expected to manifest over a period that is generally longer than the maturity of most of the outstanding exposures. The following balances may be impacted by physical risks:

ECL: Customers and portfolios with exposure to climate risk may have a resultant deterioration in creditworthiness, which has an impact on ECL. Considering the Bank's customer exposures, it is of the view that counterparties with exposures to climate risk are not expected to be materially

impacted by physical risks associated with climate change. For instance, the majority of the counterparties are not employed, or do not operate, in high-risk sectors, nor are they located in high risk geographical areas. The Bank also noted that for a significant portion of the portfolio, the time horizon for any physical impact of climate risk is longer than the maturity of most of the assets as described in Note 44.

Fair value measurement: The Bank has assumed that any climate change variables incorporated in fair value measurement are those that market participants would consider when pricing the financial instruments in accordance with SLFRS 13. The Bank is of the view that climate risk has been adequately reflected within the fair value.

2.3.18 New Accounting Standards

The following new accounting standards and amendments/improvements to existing standards which have been issued by the Institute of Chartered Accountants of Sri Lanka (CASL) are not effective as at 31 December 2024.

2.3.18.1 Standards issued but not yet effective

The new and amended standards that are issued, but not yet effective to the date of issuance of these financial statements are disclosed below. Management is in the process of assessing the probable impacts from the below not yet effective standards:

(a) SLFRS 17 - Insurance Contracts

SLFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, SLFRS 17 will replace IFRS 4 Insurance Contracts (SLFRS 4). SLFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2026. The Bank does not have a material impact from the above standard.

**(b) Lack of exchangeability –
Amendments to LKAS 21**

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. The Bank does not have a material impact from the above standard.

Notes to the Financial Statements Contd.

3. SEGMENT INFORMATION

The following table presents information on total income, profit, total assets and liabilities regarding the Bank's operating segments.

	Consumer Banking 2024 Rs.	Business Banking 2024 Rs.	Total Banking 2024 Rs.	Treasury 2024 Rs.	Unallocated / Elimination 2024 Rs.	Total 2024 Rs.
Income						
Financing Income	3,962,916,643	8,849,676,033	12,812,592,676	2,586,969,585	-	15,399,562,261
Net Fee and Commission Income	424,952,462	583,108,376	1,008,060,838	69,277,023	-	1,077,337,861
Net Trading Income	-	-	-	693,112,850	-	693,112,850
Net Gains / (Losses) from Financial Assets at Fair Value Through Profit or Loss	-	-	-	38,985,111	-	38,985,111
Net Gains / (Losses) from Derecognition of Financial Assets	-	-	-	(69,917)	-	(69,917)
Net Other Operating Income	-	-	-	5,989,723	-	5,989,723
Total Income	4,387,869,105	9,432,784,409	13,820,653,514	3,394,264,375	-	17,214,917,889
Less						
Financing Expenses			(8,493,986,261)	(10,639,726)	(20,646,904)	(8,525,272,891)
Impairment on Financial Assets			(291,932,947)	2,320,020	-	(289,612,927)
Total Operating Expenses			(3,272,399,759)	(1,336,613,985)		(4,609,013,744)
Operating Profit Before VAT on Financial Services & Social Security Contribution Levy			1,762,334,547	2,049,330,684	(20,646,904)	3,791,018,327
VAT on Financial Services & Social Security Contribution Levy						(1,004,175,003)
Profit Before Tax						2,786,843,324
Tax Expense						(1,012,177,592)
Profit for the Year						1,774,665,732
Total Assets	29,270,553,218	82,031,295,802	111,301,849,020	56,067,555,562	14,967,403,332	182,336,807,914
Total Liabilities	122,538,352,667	31,867,357,389	154,405,710,056	22,856,743	5,066,380,721	159,494,947,520

	Consumer Banking 2023 Rs.	Business Banking 2023 Rs.	Total Banking 2023 Rs.	Treasury 2023 Rs.	Unallocated / Elimination 2023 Rs.	Total 2023 Rs.
Income						
Financing Income	3,944,670,837	10,581,391,352	14,526,062,189	2,712,310,417	-	17,238,372,606
Net Fee and Commission Income	329,252,689	593,205,870	922,458,559	8,852,024	-	931,310,583
Net Trading Income	-	-	-	1,765,213,774	-	1,765,213,774
Net Gains / (Losses) from Financial Assets at Fair Value Through Profit or Loss	-	-	-	15,112,806	-	15,112,806
Net Gains / (Losses) from Derecognition of Financial Assets	-	-	-	982,956	-	982,956
Net Other Operating Income	-	-	-	2,982,534	-	2,982,534
Total Income	4,273,923,526	11,174,597,222	15,448,520,748	4,505,454,511	-	19,953,975,259
Less						
Financing Expenses			(10,178,913,267)	(501,401,373)	(63,135,301)	(10,743,449,941)
Impairment on Financial Assets			(2,105,114,990)	(15,628,299)	-	(2,120,743,289)
Total Operating Expenses			(2,748,460,925)	(1,122,610,800)	-	(3,871,071,725)
Operating Profit Before VAT on Financial Services			416,031,566	2,865,814,039	(63,135,301)	3,218,710,304
Taxes on Financial Services						(906,519,704)
Profit Before Tax						2,312,190,600
Tax Expense						(925,414,505)
Profit for the Year						1,386,776,095
Total Assets	23,861,519,900	65,796,539,870	89,658,059,770	53,769,781,124	16,023,934,751	159,451,775,645
Total Liabilities	99,282,724,042	33,654,883,005	132,937,607,047	202,635,410	4,614,948,964	137,755,191,421

Notes to the Financial Statements Contd.

4. FINANCING INCOME

	2024 Rs.	2023 Rs.
Financing Income	12,812,592,676	14,526,062,189
Placement Income	2,586,969,585	2,712,310,417
Total	15,399,562,261	17,238,372,606

Accrued Income from Impaired Financial Assets amounting to Rs. 208,418,812/- (2023 - Rs. 316,398,803/-) has been deducted from Financing Income.

5. FINANCING EXPENSES

	2024 Rs.	2023 Rs.
Expenses on Due to Other Customers	8,502,486,011	10,178,913,267
Expenses on Due to Banks	10,639,726	501,401,373
Finance Expense on Lease Liability	12,147,154	63,135,301
Total	8,525,272,891	10,743,449,941

6. NET FEE AND COMMISSION INCOME

	2024 Rs.	2023 Rs.
Trade Related Services	558,155,828	470,021,862
Other Banking and Financial Services	519,182,033	461,288,721
Total	1,077,337,861	931,310,583

7. NET TRADING INCOME

	2024 Rs.	2023 Rs.
Foreign Exchange Income		
- From Banks	632,648,756	1,617,152,118
- From Customers	60,464,094	148,061,656
Total	693,112,850	1,765,213,774

Foreign Exchange Income includes Gains and Losses from Spot and Promissory Forward transactions.

8. NET GAINS / (LOSSES) FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 Rs.	2023 Rs.
Equity Securities	38,985,111	15,112,806
Total	38,985,111	15,112,806

The above consists of Unrealised Gains and Losses from changes in the Fair Value of Equity Securities.

9. NET GAINS / (LOSSES) FROM DERECOGNITION OF FINANCIAL ASSETS

	2024 Rs.	2023 Rs.
Equity Securities	(69,917)	982,956
Total	(69,917)	982,956

10. NET OTHER OPERATING INCOME

	2024 Rs.	2023 Rs.
Income from Dividends	5,917,689	2,934,708
Gain on Disposal of Property, Plant and Equipment	72,034	47,826
Total	5,989,723	2,982,534

11. IMPAIRMENT ON FINANCIAL ASSETS

The table below shows the ECL charges on Financial Instruments for the Year 2024

	Stage 1 Rs.	Stage 2 Rs.	Stage 3 Rs.	Stage 4 Rs.
Cash and Cash Equivalents (Note 17.1)	(95,345)	-	-	(95,345)
Placements with Banks (Note 19.1)	(3,531,484)	-	-	(3,531,484)
Placements with Licensed Finance Companies (Note 20.1)	1,306,860	-	-	1,306,860
Commitments and Contingencies (Note 45.2.2)	1,019,680	-	-	1,019,680
Financing and Receivables to Other Customers (Note 23.4)	428,495,958	(442,377,384)	304,794,642	290,913,216
Total	427,195,669	(442,377,384)	304,794,642	289,612,927

Notes to the Financial Statements Contd.

11. IMPAIRMENT ON FINANCIAL ASSETS (CONTD.)

The table below shows the ECL charges on Financial Instruments for the Year 2023

	Stage 1 Rs.	Stage 2 Rs.	Stage 3 Rs.	Stage 4 Rs.
Cash and Cash Equivalents (Note 17.1)	2,274,781	-	-	2,274,781
Placements with Banks (Note 19.1)	13,353,519	-	-	13,353,519
Placements with Licensed Finance Companies (Note 20.1)	87,639	-	-	87,639
Commitments and Contingencies (Note 45.2.2)	(6,494,755)	-	-	(6,494,755)
Financing and Receivables to Other Customers (Note 23.4)	150,980,931	963,418,159	997,123,015	2,111,522,105
Total	160,202,115	963,418,159	997,123,015	2,120,743,289

12. PERSONNEL EXPENSES

	2024 Rs.	2023 Rs.
Salaries and Bonus	1,172,126,168	1,130,099,288
Defined Contribution Plan - EPF/ETF	123,130,380	113,699,973
Defined Benefit Plan - Gratuity (Note 34)	33,662,105	34,785,369
Other Staff Related Expenses	945,575,007	697,405,139
Total	2,274,493,660	1,975,989,769

13. OTHER OPERATING EXPENSES

	2024 Rs.	2023 Rs.
Directors' Emoluments	32,777,987	31,996,864
Auditors' Remuneration		
- Audit Fee	5,005,000	4,545,000
- Non Audit Services	3,949,228	2,969,978
Professional Fees	83,540,211	64,654,084
Office Administration and Establishment Expenses	1,233,369,816	915,931,917
Advertising and Promotion	85,717,141	66,545,005
Deposit Insurance Premium	143,652,132	124,622,418
System Support Fee	277,880,122	253,920,768
Others	146,787,988	122,292,882
Total	2,012,679,625	1,587,478,916

14. TAX EXPENSE

	2024 Rs.	2023 Rs.
Current Tax:		
Tax Expense (Note 14.1)	1,028,363,105	1,228,454,235
Under Provision in respect of Previous Year	12,863,975	72,103,386
Deferred Tax:		
Deferred Taxation Charged/(Reversal) (Note 29)	(29,049,488)	(375,143,116)
Tax Expense	1,012,177,592	925,414,505

14.1 Reconciliation of Accounting Profit to Tax Expense

	2024 Rs.	2023 Rs.
Accounting Profit before Income Tax	2,786,843,324	2,312,190,600
Statutory Tax Rate	30%	30%
At the Statutory Income Tax Rate	836,052,997	693,657,180
Income Exempt from Tax	(91,777,041)	(79,206,111)
Non Deductible Expenses	471,541,239	1,023,452,140
Deductible Expenses	(187,454,090)	(409,448,974)
Tax Expense	1,028,363,105	1,228,454,235

The Effective Income Tax rate for 2024 is 36% (2023 - 40%).

Notes to the Financial Statements Contd.

15. EARNINGS PER SHARE

Earnings Per Share is calculated by dividing the Net Profit or Loss for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and data on ordinary shares used in the Earnings Per Share computation.

	2024 Rs.	2023 Rs.
Amount Used as the Numerator:		
Net Profit Attributable to Ordinary Shareholders	1,774,665,732	1,386,776,095
Number of Ordinary Shares Used as Denominator:		
Weighted Average Number of Ordinary Shares for Basic Earnings Per Share (Note 15.1)	551,125,746	551,125,746
Weighted Average Number of Ordinary Shares for Diluted Earnings Per Share (Note 15.2)	551,125,746	551,125,746
Earnings Per Share - Basic	3.22	2.52
Earnings Per Share - Diluted	3.22	2.52

15.1 Weighted Average Number of Ordinary Shares for Basic Earnings per Share

	Outstanding No. of Shares		Weighted Average No. of Shares	
	2024	2023	2024	2023
Number of Shares in Issue as at 1 January	5,511,257,461	2,783,949,511	5,511,257,461	2,783,949,511
Add				
Scrip Dividend	-	118,317,854	-	118,317,854
Employee Share Option Scheme	-	-	-	-
Rights Issue	-	2,608,990,096	-	2,608,990,096
Share Consolidation	(4,960,131,715)	(4,960,131,715)	(4,960,131,715)	(4,960,131,715)
Weighted Average Number of Ordinary Shares for Basic Earnings per Ordinary Share Calculation	551,125,746	551,125,746	551,125,746	551,125,746

15.2 Weighted Average Number of Ordinary Shares for Diluted Earnings per Share

	Outstanding No. of Shares		Weighted Average No. of Shares	
	2024	2023	2024	2023
Number of Shares in Issue as at 1 January	5,511,257,461	2,783,949,511	5,511,257,461	2,783,949,511
Add				
Scrip Dividend	-	118,317,854	-	118,317,854
Employee Share Option Scheme	-	-	-	-
Rights Issue	-	2,608,990,096	-	2,608,990,096
Share Consolidation	(4,960,131,715)	(4,960,131,715)	(4,960,131,715)	(4,960,131,715)
Weighted Average Number of Ordinary Shares for Diluted Earnings per Ordinary Share Calculation	551,125,746	551,125,746	551,125,746	551,125,746

16. ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

16.1 Analysis of Financial Instruments by Measurement - as at 31 December 2024

Financial instruments are measured on an ongoing basis either at fair value or at amortised cost. The summary of significant accounting policies describes how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the carrying amounts of the financial instruments by category as defined in SLFRS 9 and by headings of the Statement of Financial Position.

	Fair Value through Profit or Loss Rs.	Amortised Cost Rs.	Fair Value through Other Comprehensive Income Rs.	Total Rs.
Financial Assets				
Cash and Cash Equivalents	-	17,070,764,566	-	17,070,764,566
Balance with Central Bank of Sri Lanka	-	7,078,039,326	-	7,078,039,326
Placements with Banks	-	38,311,689,750	-	38,311,689,750
Placements with Licensed Finance Companies	-	507,640,396	-	507,640,396
Derivative Financial Assets	177,460,850	-	-	177,460,850
Financial Assets recognised through Profit or Loss - Measured at Fair Value	70,216,929	-	-	70,216,929
Financial Assets at Amortised Cost - Financing and Receivables to Other Customers	-	111,301,849,020	-	111,301,849,020
Financial Assets measured at Fair Value through Other Comprehensive Income	-	-	348,710,504	348,710,504
Other Assets - Financial	-	2,829,580,181	-	2,829,580,181
Total Financial Assets	247,677,779	177,099,563,239	348,710,504	177,695,951,522
Financial Liabilities				
Due to Banks	-	18,949,309	-	18,949,309
Derivative Financial Liabilities	22,856,743	-	-	22,856,743
Financial Liabilities at Amortised Cost - Due to Depositors	-	154,405,710,056	-	154,405,710,056
Other Liabilities - Financial	-	4,099,974,790	-	4,099,974,790
Total Financial Liabilities	22,856,743	158,524,634,155	-	158,547,490,898

16. ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS (CONTD...)

16.2 Analysis of Financial Instruments by Measurement - as at 31 December 2023

Financial instruments are measured on an ongoing basis either at fair value or at amortised cost. The summary of significant accounting policies describes how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the carrying amounts of the financial instruments by category as defined in SLFRS 9 and by headings of the Statement of Financial Position.

	Fair Value through Profit or Loss Rs.	Amortised Cost Rs.	Fair Value through Other Comprehensive Income Rs.	Total Rs.
Financial Assets				
Cash and Cash Equivalents	-	11,100,863,400	-	11,100,863,400
Balance with Central Bank of Sri Lanka	-	9,446,862,668	-	9,446,862,668
Placements with Banks	-	42,474,569,846	-	42,474,569,846
Placements with Licensed Finance Companies	-	80,783	-	80,783
Derivative Financial Assets	194,267,095	-	-	194,267,095
Financial Assets recognised through Profit or Loss - Measured at Fair Value	8,994,233	-	-	8,994,233
Financial Assets at Amortised Cost - Financing and Receivables to Other Customers	-	89,658,059,768	-	89,658,059,768
Financial Assets measured at Fair Value through Other Comprehensive Income	-	-	319,000,406	319,000,406
Other Assets - Financial	-	2,006,908,679	-	2,006,908,679
Total Financial Assets	203,261,328	154,687,345,144	319,000,406	155,209,606,878
Financial Liabilities				
Due to Banks	-	321,166,526	-	321,166,526
Derivative Financial Liabilities	947,739	-	-	947,739
Financial Liabilities at Amortised Cost - Due to Depositors	-	132,937,607,047	-	132,937,607,047
Other Liabilities - Financial	-	3,391,138,093	-	3,391,138,093
Total Financial Liabilities	947,739	136,649,911,666	-	136,650,859,405

17. CASH AND CASH EQUIVALENTS

	Note	2024 Rs.	2023 Rs.
Cash in Hand		11,257,036,865	5,513,439,332
Balances with Banks		5,820,536,358	5,594,328,070
Cash and Cash Equivalents before Allowance for Impairment		17,077,573,223	11,107,767,402
Less: Allowance for Impairment			
- Stage 1	17.1	(6,808,657)	(6,904,002)
Total		17,070,764,566	11,100,863,400

17.1 Impairment Allowance for Balances with Banks

	2024 Rs.	2023 Rs.
ECL allowance as at 1 January	6,904,002	4,629,221
Charge/(Write Back) for the year	(95,345)	2,274,781
Amounts Written Off	-	-
As at 31 December	6,808,657	6,904,002

18. BALANCE WITH CENTRAL BANK OF SRI LANKA

	2024 Rs.	2023 Rs.
Statutory Deposit with the Central Bank of Sri Lanka	7,078,039,326	9,446,862,668
	7,078,039,326	9,446,862,668

As required by the Provisions of Section 93 of the Monetary Law Act, a cash balance is required to be maintained with Central Bank of Sri Lanka. As at 31 December 2024, the minimum cash reserve requirement was 2.0% (2023 - 2.0%) of Rupee liabilities of the Domestic Banking Unit. There is no reserve requirement for foreign currency deposit liabilities of the Domestic Banking Unit.

The statutory deposit with Central Bank of Sri Lanka is not available for financing the Bank's day to day operations and therefore it is not considered as part of Cash and Cash Equivalents.

Notes to the Financial Statements Contd.

19. PLACEMENTS WITH BANKS

	Note	2024 Rs.	2023 Rs.
Saving Deposits		176,443	171,310
Term Deposits		38,324,099,914	42,490,516,627
Less: Allowance for Impairment			
- Stage 1	19.1	(12,586,607)	(16,118,091)
Total		38,311,689,750	42,474,569,846

19.1 Impairment Allowance for Placements with Banks

	Note	2024 Rs.	2023 Rs.
ECL allowance as at 1 January		16,118,091	2,764,572
Charge/(Reversal) for the year		(3,531,484)	13,353,519
Amounts Written Off		-	-
As at 31 December		12,586,607	16,118,091

20. PLACEMENTS WITH LICENSED FINANCE COMPANIES

	Note	2024 Rs.	2023 Rs.
Saving Deposits		83,920	80,996
Term Deposits		508,876,712	-
Less: Allowance for Impairment			
- Stage 1	20.1	(1,320,236)	(213)
Total		507,640,396	80,783

20.1 Impairment Allowance for Licensed Finance Companies

	2024 Rs.	2023 Rs.
ECL allowance as at 1 January	213	25
Charge/(Reversal) for the year	1,306,860	87,639
Transfer	13,163	(87,451)
As at 31 December	1,320,236	213

21. DERIVATIVE FINANCIAL ASSETS

	2024 Rs.	2023 Rs.
Spot and Promissory Forward Foreign Exchange Transactions	177,460,850	194,267,095
Total	177,460,850	194,267,095

22. FINANCIAL ASSETS RECOGNISED THROUGH PROFIT OR LOSS - MEASURED AT FAIR VALUE

	2024 Rs.	2023 Rs.
Investment in Equity Securities - Quoted (22.1)	70,216,929	8,994,233
Total	70,216,929	8,994,233

22.1 Investment in Equity Securities - Quoted

	No. of Ordinary Shares		Carrying Value	Carrying Value
	2024	2023	2024 Rs.	2023 Rs.
Chevron Lubricants Lanka PLC	104,785	-	16,765,600	-
Dankotuwa Porcelain PLC	-	250,000	-	5,250,000
Dipped Products PLC	-	70,000	-	1,953,000
Haycarb PLC	52,200	24,125	4,452,660	1,551,238
Hemas Holdings PLC	135,000	-	13,938,750	-
Nestle Lanka PLC	-	100	-	112,025
Sunshine Holdings PLC	100,000	-	10,000,000	-
Textured Jersey Lanka	210,000	-	11,004,000	-
Tokyo Cement Company PLC	50,000	-	3,500,000	-
Tokyo Cement Company PLC Non Voting	173,332	-	10,555,919	-
Vidullanka PLC	-	19,100	-	127,970
Total Carrying Value			70,216,929	8,994,233

Notes to the Financial Statements Contd.

23. FINANCIAL ASSETS AT AMORTISED COST - FINANCING AND RECEIVABLES TO OTHER CUSTOMERS

	2024 Rs.	2023 Rs.
Gross Financing and Receivables to Other Customers		
Stage 1	99,940,667,580	76,701,264,818
Stage 2	13,568,187,985	15,147,656,771
Stage 3	4,013,050,176	3,738,281,684
	117,521,905,741	95,587,203,273
Less: Allowance for Impairment		
Stage 1	(1,560,405,864)	(1,131,909,906)
Stage 2	(2,233,036,660)	(2,675,414,044)
Stage 3	(2,426,614,197)	(2,121,819,555)
Total	111,301,849,020	89,658,059,768

23.1 By Product

	2024 Rs.	2023 Rs.
Overdraft	14,048,845,664	8,914,160,883
Trade Finance	4,370,772,862	1,646,710,677
Lease Receivables	9,126,641,872	5,551,286,567
Staff Facilities	1,170,617,625	715,175,205
Term Financing:		
- Short Term	43,396,923,481	38,117,041,284
- Long Term	33,514,600,952	28,174,482,138
Gold Facilities	11,683,154,408	11,744,010,313
Others	210,348,877	724,336,206
	117,521,905,741	95,587,203,273
Less: Allowance for Impairment		
Stage 1	(1,560,405,864)	(1,131,909,906)
Stage 2	(2,233,036,660)	(2,675,414,044)
Stage 3	(2,426,614,197)	(2,121,819,555)
Total	111,301,849,020	89,658,059,768

23.2 By Currency

	2024 Rs.	2023 Rs.
Sri Lanka Rupees	108,807,843,491	90,470,865,572
United States Dollars	8,714,062,250	5,116,337,701
	117,521,905,741	95,587,203,273
Less: Allowance for Impairment		
Stage 1	(1,560,405,864)	(1,131,909,906)
Stage 2	(2,233,036,660)	(2,675,414,044)
Stage 3	(2,426,614,197)	(2,121,819,555)
Total	111,301,849,020	89,658,059,768

23.3 By Industry

	2024 Rs.	2023 Rs.
Agriculture, Forestry and Fishing	13,405,177,203	12,186,487,382
Construction	6,607,986,416	8,255,431,597
Consumption	29,726,007,986	21,701,040,904
Financial Services	1,513,342	1,625,582,713
Information Technology and Communication Services	666,464,627	870,249,468
Infrastructure Development	885,371,457	2,051,892,188
Manufacturing	15,054,588,866	13,015,795,074
Tourism	3,414,196,775	510,871,840
Transportation and Storage	1,029,420,439	1,013,725,250
Wholesale and Retail Trade	44,207,978,212	33,529,212,888
Other Services	2,523,200,418	826,913,969
	117,521,905,741	95,587,203,273
Less: Allowance for Impairment		
Stage 1	(1,560,405,864)	(1,131,909,906)
Stage 2	(2,233,036,660)	(2,675,414,044)
Stage 3	(2,426,614,197)	(2,121,819,555)
Total	111,301,849,020	89,658,059,768

Notes to the Financial Statements Contd.

23.4 Impairment Allowance for Financing and Receivables to Other Customers

A reconciliation of the allowance for impairment losses for Financing and Receivables to Other Customers, under SLFRS 9 as at 31 December 2024 is as follows:

	Stage 1 Rs.	Stage 2 Rs.	Stage 3 Rs.	Total Impairment Rs.
As at 1 January 2024	1,131,909,906	2,675,414,044	2,121,819,555	5,929,143,505
Charge/(Reversal) for the Year	428,495,958	(442,377,384)	304,794,642	290,913,216
Amounts Written Off	-	-	-	-
As at 31 December 2024	1,560,405,864	2,233,036,660	2,426,614,197	6,220,056,721

A reconciliation of the allowance for impairment losses for Financing and Receivables to Other Customers, under SLFRS 9 as at 31 December 2023 is as follows:

	Stage 1 Rs.	Stage 2 Rs.	Stage 3 Rs.	Total Impairment Rs.
As at 1 January 2023	980,928,975	1,711,995,885	1,226,946,891	3,919,871,751
Charge/(Reversal) for the Year	150,980,931	963,418,159	997,123,015	2,111,522,105
Amounts Written Off	-	-	(102,250,351)	(102,250,351)
As at 31 December 2023	1,131,909,906	2,675,414,044	2,121,819,555	5,929,143,505

Based on the requirements of the SLFRS 9, the Bank applies the amortised cost method to measure the Financial Instruments in instances where the Bank's business model is to hold the Financial Asset to collect the contractual cash flows. The characteristics of the contractual cash flows herein refers to repayment of capital and profits/income only (referred to as "SPPI" test under SLFRS 9). Capital is the fair value of the instrument at initial recognition.

Profit/Income is the return within a basic financing arrangement and typically consists of consideration for the credit risk and may also include consideration for other basic risks such as liquidity risk as well as a financing margin.

The Bank manages its Financial Assets to achieve its business objective having carried out the appropriate business model assessment.

24. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial Assets held under the category of Fair Value through Other Comprehensive Income (FVOCI) consists of equity investments. Gains or Losses arising due to changes in fair value are recognised in OCI. Realised Gains or Losses are not recognised to the Statement of Profit or Loss and is also not subject to any impairment assessment. Dividends earned whilst holding FVOCI Financial Assets are recognised in the Statement of Profit or Loss under 'Net Other Operating Income' when the right to receive the dividend is established.

	2024 Rs.	2023 Rs.
Investments in Securities		
Equities - Quoted (24.1)	345,717,504	316,007,406
Equities - Unquoted (24.2)	2,993,000	2,993,000
	348,710,504	319,000,406

24.1 Investment in Equity - Quoted

	No. of Ordinary Shares		Fair Value	Fair Value
	2024	2023	2024 Rs.	2023 Rs.
Amāna Takaful PLC	27,009,180	27,009,180	345,717,504	316,007,406
Total			345,717,504	316,007,406

24.2 Investment in Equity - Unquoted

	No. of Ordinary Shares		Carrying Value	Carrying Value
	2024	2023	2024 Rs.	2023 Rs.
LankaClear (Private) Limited	50,000	50,000	2,000,000	2,000,000
Credit Information Bureau of Sri Lanka	300	300	993,000	993,000
Total Carrying Value			2,993,000	2,993,000

All unquoted investments are recorded at cost and the Bank intends to hold them for the long term.

25. OTHER ASSETS - FINANCIAL

	2024 Rs.	2023 Rs.
Refundable Deposits and Other Debtors	2,345,129,264	1,515,389,352
Prepaid Staff Costs	405,217,698	328,176,630
Other Receivables	79,233,219	163,342,697
Total	2,829,580,181	2,006,908,679

Notes to the Financial Statements Contd.

26. PROPERTY, PLANT, EQUIPMENT AND RIGHT-OF-USE ASSETS

	Freehold Land and Building Rs.	Improvements to Leasehold Premises Rs.	Furniture and Fittings Rs.	Office Equipment Rs.	Computer Equipment Rs.	Motor Vehicles Rs.	Computer Servers Rs.	Right-of-Use Assets Rs.	Total Rs.
Cost or Valuation:									
As at 1 January 2023	1,781,305,732	221,882,028	242,191,287	477,713,568	426,105,203	24,304,072	226,427,522	979,220,121	4,379,149,533
Additions	7,686,157	20,044,717	11,702,671	15,495,582	39,560,160	-	7,161,250	456,449,678	558,100,215
Revaluation	-	-	-	-	-	-	-	-	-
Transfer*	-	-	-	-	-	-	-	-	-
Disposals	-	(131,817)	-	(182,184)	-	-	-	-	(314,001)
As at 31 December 2023	1,788,991,889	241,794,928	253,893,958	493,026,966	465,665,363	24,304,072	233,588,772	1,435,669,799	4,936,935,747
Additions	-	18,028,610	19,930,571	25,131,912	78,632,958	1,698,000	115,731,443	190,380,579	449,534,073
Revaluation	-	-	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	(99,495)	-	-	-	-	(99,495)
As at 31 December 2024	1,788,991,889	259,823,538	273,824,529	518,059,383	544,298,321	26,002,072	349,320,215	1,626,050,378	5,386,370,325
Depreciation									
As at 1 January 2023	13,616,747	151,906,252	221,430,333	437,484,794	349,263,051	12,183,335	193,639,982	532,863,582	1,912,388,076
Disposals	-	(131,817)	-	-	(182,184)	-	-	-	(314,001)
Depreciation Charge for the Year	1,831,405	27,323,254	13,054,175	17,933,528	39,214,765	1,124,170	10,228,669	138,755,514	249,465,480
Transfer*	-	-	-	-	-	-	-	-	-
As at 31 December 2023	15,448,152	179,097,689	234,484,508	455,418,322	388,295,632	13,307,505	203,868,651	671,619,096	2,161,539,555
Disposals	-	-	-	(99,495)	-	-	-	-	(99,495)
Depreciation Charge for the Year	2,746,842	29,428,120	9,303,500	16,548,104	40,591,869	7,775,451	19,344,546	131,165,232	256,903,664
Transfer	-	-	-	-	-	-	-	-	-
As at 31 December 2024	18,194,994	208,525,809	243,788,008	471,866,931	428,887,501	21,082,956	223,213,197	802,784,328	2,418,343,724
Net Book Value:									
As at 31 December 2024	1,770,796,895	51,297,729	30,036,521	46,192,452	115,410,820	4,919,116	126,107,018	823,266,050	2,968,026,601
As at 31 December 2023	1,773,543,737	62,697,239	19,409,450	37,608,644	77,369,731	10,996,567	29,720,121	764,050,703	2,775,396,192

26.1 During the year, the Bank acquired Property, Plant and Equipment to the aggregate value of Rs.449,534,073/- (2023 - Rs.558,100,215/-). Cash payments amounting to Rs.257,710,731/- (2023 - Rs.101,650,537/-) were made during the year for purchase of Property, Plant and Equipment.

26.2 Property, Plant and Equipment includes fully depreciated assets with a gross carrying amount of Rs. 1,693,161,844/- (2023 - Rs. 1,408,736,909/-) which are still in use at the date of the Statement of Financial Position.

26. PROPERTY, PLANT AND EQUIPMENT (CONTD...)

- 26.3** There were no Property, Plant and Equipment identified as temporarily idle as at the date of the Statement of Financial Position.
- 26.4** No assets have been pledged by the Bank.
- 26.5** The Bank measures land and buildings at revalued amounts with gains in fair value being recognised in Statement of Comprehensive Income and losses in the Statement of Profit or Loss. An independent valuation specialist was engaged to assess the fair value as at 31 December 2021 for the revalued land and buildings. Land and buildings were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

The Bank reviewed the fair value of its Freehold Land and Buildings as at 31 December 2024 which were previously revalued as at 31 December 2021, to ascertain whether there is any significant change in fair value as of the reporting date and concluded that there is no significant deviation in fair value as at the reporting date

The key assumptions used to determine the fair value of the revalued land and buildings and the sensitivity analyses are further discussed below.

The revalued land and buildings consists of a land comprising three office buildings located in 486, Galle Road, Colombo 3, Sri Lanka. Management determined that these constitute one class of asset under SLFRS 13, based on the nature, characteristics and risks of the property.

Valuation Methods, Assumptions and Measurement Hierarchy

Fair value of the land and building is determined at Rs. 1,769,100,000 that falls under Level 3 (Significant unobservable inputs) of the fair value measurement hierarchy. The fair value was determined using the market comparable method. This means that valuations performed by the valuer are based on market prices, significantly adjusted for differences in the nature, location or condition of the specific property. The property's fair values are based on valuations performed by Mr. P.P.T. Mohideen (Chartered Valuation Surveyor and Fellow of the Institute of Valuers of Sri Lanka), an accredited independent valuer and having recent experience in the location and category of the Land and Building.

Key Valuation Assumptions used are:

Significant Unobservable Valuation Input:

- Land : Price per perch Rs. 23,500,000
- Building : Price per square foot Rs. 3,650 - Rs. 5,000

Significant increases / (decreases) in estimated price per perch and square foot in isolation would result in a significantly higher / (lower) fair value.

Reconciliation of Fair Value of Revalued Land and Buildings:

	2024 Rs.	2023 Rs.
As at 1 January	1,769,100,000	1,769,100,000
Level 3 Revaluation Recognised due to Revaluation Model	-	-
As at 31 December	1,769,100,000	1,769,100,000

Notes to the Financial Statements Contd.

26. PROPERTY, PLANT AND EQUIPMENT (CONTD...)

If Freehold Land and Buildings were Measured using the Cost Model, the Carrying Amounts would be as follows:

	2024			2023		
	Cost Rs.	Accumulated Depreciation Rs.	Net Carrying Amount Rs.	Cost Rs.	Accumulated Depreciation Rs.	Net Carrying Amount Rs.
Freehold Land	300,299,702	-	300,299,702	300,299,702	-	300,299,702
Building	80,194,105	21,008,669	59,185,436	80,194,105	19,003,816	60,041,787
Net Carrying Amount	380,493,807	21,008,669	359,485,138	380,493,807	19,003,816	360,341,489

26.6 The Details of the Land and Building Owned by the Bank are as follows;

	2024		2023	
	Extent		Valuation	
	Land (Perches)	Building (Sq.ft)	Land Rs.	Building Rs.
486, Galle Road, Colombo 3	70.80	22,718	1,663,800,000	105,300,000

26.7 Cash payments amounting to Rs.97,927,956/- (2023 - Rs.182,265,351/-) was paid relating to lease liabilities recognised under SLFRS 16 - Leases

27. INTANGIBLE ASSETS

	2024 Rs.	2023 Rs.
Computer Software		
Cost:		
As at 1 January	934,130,444	815,937,043
Additions	23,190,213	118,193,401
Disposals		
As at 31 December	957,320,657	934,130,444
Amortisation		
As at 1 January	554,821,254	496,683,694
Amortisation Charge for the Year	64,936,795	58,137,560
Disposals		-
As at 31 December	619,758,049	554,821,254
Net Book Value:		
As At 31 December	337,562,608	379,309,190

28. OTHER ASSETS - NON FINANCIAL

	2024 Rs.	2023 Rs.
Stationery Stock	9,033,853	8,459,491
Prepayments and Advances	402,501,195	261,936,366
Tax Receivables	99,415,287	32,637,794
Total	510,950,335	303,033,651

29. DEFERRED TAX ASSETS

	2024			2023		
	Deferred Tax Liability/(Asset) Rs.	Statement of Profit or Loss Rs.	Statement of Comprehensive Income Rs.	Deferred Tax Liability/(Asset) Rs.	Statement of Profit or Loss Rs.	Statement of Comprehensive Income Rs.
Deferred Tax Liability						
Capital Allowances for Tax purposes	62,755,060	(5,670,166)	-	68,425,226	(12,075,499)	-
Capital Gain for Tax purposes	396,097,938	-	-	396,097,938	-	-
Right-of-Use Assets	(36,493,982)	(13,615,329)	-	(22,878,653)	(5,887,639)	-
Deferred Tax Assets						
Defined Benefit Plans	(56,019,243)	(6,056,807)	(10,837,626)	(39,124,810)	(4,800,245)	(1,501,074)
Share based payments - ESOP	(23,555,351)	(8,261,708)	-	(15,293,642)	(15,293,642)	-
Provision for Impairment Losses	(1,167,101,270)	4,554,522	-	(1,171,655,793)	(337,086,091)	-
Total	(824,316,848)	(29,049,488)	(10,837,626)	(784,429,734)	(375,143,116)	(1,501,074)

30. DUE TO BANKS

	2024 Rs.	2023 Rs.
Vostro Balances	12,088,075	19,293,711
Balance Due to Central Bank of Sri Lanka (Saubagya Renaissance Facility)	6,861,234	100,185,144
Balances Due to Banks	-	201,687,671
Total	18,949,309	321,166,526

31. DERIVATIVE FINANCIAL LIABILITIES

	2024 Rs.	2023 Rs.
Spot and Promissory Forward Foreign Exchange Transactions	22,856,743	947,739
Total	22,856,743	947,739

Notes to the Financial Statements Contd.

32. FINANCIAL LIABILITIES AT AMORTISED COST - DUE TO DEPOSITORS

	2024 Rs.	2023 Rs.
Due to Depositors	154,405,710,056	132,937,607,047

32.1 By Product

	2024 Rs.	2023 Rs.
Demand Deposits	12,313,016,849	9,057,316,076
Savings Deposits	55,633,049,228	43,745,813,814
Time Deposits	86,459,643,979	80,134,477,157
Total	154,405,710,056	132,937,607,047

32.2 By Currency

	2024 Rs.	2023 Rs.
Sri Lanka Rupees	126,693,347,428	105,764,476,555
United States Dollars	27,263,753,941	26,761,278,276
Great Britain Pounds	272,266,698	245,820,501
Others	176,341,989	166,031,715
Total	154,405,710,056	132,937,607,047

33. OTHER LIABILITIES - FINANCIAL

	2024 Rs.	2023 Rs.
Accrued Expenses	1,152,988,376	881,251,499
Balances Held in Margin	202,431,703	283,091,713
Cheques Pending Realisation	191,579,041	371,422,328
Impairment Provision for ECL - Credit related Commitment and Contingencies (Note 45)	89,143,722	88,124,042
Other Liabilities	1,577,340,590	964,444,420
Lease Liability (Note 33.1)	878,270,605	794,333,929
Sundry Creditors	8,220,753	8,470,162
Total	4,099,974,790	3,391,138,093

33.1 Maturity Analysis of Lease Liability

	2024 Rs.	2023 Rs.
Less than 1 year	108,698,899	71,411,328
Between 1 and 5 years	425,097,161	369,264,534
More than 5 years	344,474,545	353,658,067
Total Expected Payments	878,270,605	794,333,929

34. RETIREMENT BENEFIT LIABILITY

	Note	2024 Rs.	2023 Rs.
At 1 January		130,416,033	109,411,635
Expenses Recognised in the Statement of Profit or Loss	34.1	33,662,105	34,785,369
Actuarial Gain	34.2	36,125,421	5,003,582
Benefits Paid		(13,472,750)	(18,784,553)
At 31 December		186,730,809	130,416,033

34.1 Expenses Recognised in the Statement of Profit or Loss

	2024 Rs.	2023 Rs.
Current Service Cost	15,795,109	13,997,159
Finance Cost	17,866,996	20,788,210
Components Recognised in the Statement of Profit or Loss	33,662,105	34,785,369

34.2 Expenses Recognised in the Statement of Comprehensive Income

	2024 Rs.	2023 Rs.
Opening Balance Adjustment	-	-
Recognition of Actuarial (Gain)/Loss	36,125,421	5,003,582
Components Recognised in the Statement of Comprehensive Income	36,125,421	5,003,582

Notes to the Financial Statements Contd.

34. RETIREMENT BENEFIT LIABILITY - GRATUITY (CONTD...)

Appropriate and compatible assumptions were used in determining the cost of retirement benefits. The principal assumptions used are as follows:

	2024	2023
Discount Rate	11.20%	13.70%
Salary Increment Rate	5.50%	4.00%
Age of Retirement	60	60
Mortality	GA 1983 Mortality Table	GA 1983 Mortality Table

Sensitivity of assumptions employed in actuarial valuation

The following table demonstrates the sensitivity to a reasonably possible change in the key assumptions employed with all other variables held constant in the Employment Benefit Liability measurement.

The sensitivity of the Statement of Profit or Loss and Statement of Financial Position is the effect of the assumed changes in discount rate and salary increment rate on the profit or loss and employment benefit obligation for the year.

Increase / (decrease) in Discount Rate	Increase / (Decrease) in Salary Increment	Sensitivity Effect on Comprehensive Income Increase/(Reduction) in results for the year (Rs. Mn)		Sensitivity Effect on Employment Benefit obligation Increase/(Decrease) in the Liability (Rs. Mn)	
		2024	2023	2024	2023
1%	-	12.80	6.80	(12.80)	(6.80)
(1%)	-	(14.70)	(7.70)	14.70	7.70
	1%	(17.90)	(9.00)	17.90	9.00
	(1%)	15.80	8.10	(15.80)	(8.10)

34.3 Distribution of Defined Benefit Obligation Over Future Lifetime

The following table demonstrates distribution of the future working lifetime of the Defined Benefit Obligation as at the reporting date.

	2024 Rs.	2023 Rs.
Less than 1 year	31,394,129	13,103,863
Between 1 and 2 years	35,686,293	33,697,956
Between 3 and 5 years	52,213,524	48,879,795
Beyond 5 years	141,544,821	127,993,309
Total Expected Payments	260,838,767	223,674,923

35. OTHER LIABILITIES - NON FINANCIAL

	2024 Rs.	2023 Rs.
Statutory Payable	187,790,136	245,445,827
Total	187,790,136	245,445,827

The above balances consists of statutory taxes payable.

36. STATED CAPITAL

During the year, the shareholders unanimously resolved to reduce the existing number of shares by the consolidation of every existing Ten (10) shares in to One (1) share, without a change to the Stated Capital of the Bank whilst leaving unaffected the relative voting and distribution rights.

	2024		2023	
	Number	Rs.	Number	Rs.
Fully Paid Ordinary Shares	551,125,746	17,633,461,196	5,511,257,461	17,633,461,196
Total	551,125,746	17,633,461,196	5,511,257,461	17,633,461,196

36.1 Fully Paid Ordinary Shares

	2024		2023	
	Number	Rs.	Number	Rs.
Balance as at 1 January	5,511,257,461	17,633,461,196	2,783,949,511	11,348,821,130
Scrip shares	-	-	118,317,854	283,962,845
Rights Issue shares	-	-	2,608,990,096	6,000,677,221
Share Consolidation	(4,960,131,715)	-	-	-
Balance as at 31 December	551,125,746	17,633,461,196	5,511,257,461	17,633,461,196

37. STATUTORY RESERVE FUND

The Statutory Reserve Fund is maintained as required by Section 20 (1) of the Banking Act No. 30 of 1988. A sum equivalent to 5% of the Profit for the year should be transferred to the Reserve until the reserve is equal to 50% of the paid up capital of the Bank and thereafter a sum equivalent to 2% of such profits until the amount of reserve is equal to the paid up capital of the Bank. This Reserve Fund will be used only for the purpose specified in Section 20 (2) of the Banking Act No. 30 of 1988.

	2024 Rs.	2023 Rs.
Statutory Reserve Fund		
Balance as at 1 January	266,440,770	197,101,965
Transfers during the Year	88,733,287	69,338,805
Balance as at 31 December	355,174,057	266,440,770

Notes to the Financial Statements Contd.

38. FAIR VALUE RESERVE

	2024 Rs.	2023 Rs.
As at 1 January	71,888,946	85,393,536
Profit / (Loss) on Financial Assets - Fair Value through Other Comprehensive Income	29,710,098	(13,504,590)
As at 31 December	101,599,044	71,888,946

39. REVALUATION RESERVE

	2024 Rs.	2023 Rs.
As at 1 January	1,007,189,831	1,008,276,291
Deferred Tax Impact Due to Rate Change	-	-
Transferred to Retained Earnings	(1,124,945)	(1,086,460)
As at 31 December	1,006,064,886	1,007,189,831

40. RETAINED EARNINGS

	2024 Rs.	2023 Rs.
As at 1 January	2,666,624,673	1,721,762,142
Profit for the Year	1,774,665,732	1,386,776,095
Transfers to Statutory Reserve Fund	(88,733,287)	(69,338,805)
Transfer from Other Comprehensive Income	(25,287,795)	(3,502,507)
Transfer from Revaluation Reserve	1,124,945	1,086,460
Dividends	(661,350,895)	(283,962,845)
WHT on Scrip Dividend	-	(50,111,096)
Share Issue Expenses	-	(36,084,771)
As at 31 December	3,667,043,373	2,666,624,673

41. NET ASSETS VALUE PER SHARE

	2024 Rs.	2023 Rs.
Amount used as the Numerator:		
Total Equity Attributable to Equity Holders of the Bank	22,841,860,394	21,696,584,224
Number of Ordinary Shares used as Denominator:		
Total Number of Shares	551,125,746	551,125,746
Net Assets Value Per Share	41.45	39.37

During the year, the Bank consolidated its shares in the ratio of every existing Ten (10) shares in to One (1) share. In view of this, the Net Asset Value per Ordinary Share as at 31 Dec 2023, has been suitably adjusted for better comparability.

42. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Financial instruments comprise financial assets, financial liabilities, derivative financial instruments and off-balance sheet instruments. Fair value is the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk. The information presented herein represents the determination of fair values as at the reporting date.

42.1 Financial Instruments Carried at Fair Value

The following is a description of how fair values are determined for financial instruments that are recorded at fair value as at the reporting date. These incorporate the Bank's estimate of assumptions that a market participant would make when valuing the instruments.

Derivative Financial Assets and Liabilities:

Derivative products are promissory forward foreign exchange transactions, valued using a valuation technique with market-observable inputs. The most frequently applied valuation techniques include promissory forward foreign exchange spot and Net Present Value.

Financial Assets Recognised through Profit or Loss - Measured at Fair Value, Financial Assets Measured at Fair Value through Other Comprehensive Income

The estimated fair values are based on quoted and observable market prices.

Fair Value Hierarchy

SLFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources and unobservable inputs reflect the Bank's market assumptions. The fair value hierarchy is as follows:

- ▲ Level 1 Quoted price (unadjusted) in active markets for the identical assets or liabilities. This level includes listed equity securities and debt instruments.
- ▲ Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- ▲ Level 3 Inputs for asset or liability that are not based on observable market data (unobservable inputs). This level includes equity instruments with significant unobservable components.

Notes to the Financial Statements Contd.

42.1 Financial Instruments carried at Fair Value Contd.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

As at 31 December 2024	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	Level 4 Rs.
Financial Assets				
Derivative Financial Assets	-	177,460,850	-	177,460,850
Financial Assets Recognised through Profit or Loss - Measured at Fair Value	70,216,929	-	-	70,216,929
Financial Assets Measured at Fair Value through Other Comprehensive Income	345,717,504	-	2,993,000	348,710,504
	415,934,433	177,460,850	2,993,000	596,388,283
Financial Liabilities				
Derivative Financial Liabilities	-	22,856,743	-	22,856,743
	-	22,856,743	-	22,856,743
As at 31 December 2023				
Financial Assets				
Derivative Financial Assets	-	194,267,095	-	194,267,095
Financial Assets Recognised through Profit or Loss - Measured at Fair Value	8,994,233	-	-	8,994,233
Financial Assets Measured at Fair Value through Other Comprehensive Income	316,007,406	-	2,993,000	319,000,406
	325,001,639	194,267,095	2,993,000	522,261,734
Financial Liabilities				
Derivative Financial Liabilities	-	947,739	-	947,739
	-	947,739	-	947,739

42.2 Financial Instruments not Carried at Fair Value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Bank's financial instruments that are not carried at fair value in the Financial Statements. This table does not include the fair values of Non-Financial Assets and Non-Financial Liabilities.

As at 31 December 2024	Carrying Value Rs.	Fair Value			
		Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	Total Rs.
Financial Assets					
Cash and Cash Equivalents	17,070,764,566	-	17,070,764,566	-	17,070,764,566
Balance with Central Bank of Sri Lanka	7,078,039,326	-	7,078,039,326	-	7,078,039,326
Placements with Banks	38,311,689,750	-	38,324,276,357	-	38,324,276,357
Placements with Licensed Finance Companies	507,640,396	-	508,960,632	-	508,960,632
Financial Assets at Amortised Cost - Financing and Receivables to Other Customers	111,301,849,020	-	100,640,221,518	-	100,640,221,518
Other Assets - Financial	2,829,580,181	-	2,829,580,181	-	2,829,580,181
	177,099,563,239	-	166,451,842,580	-	166,451,842,580
Financial Liabilities					
Due to Banks	18,949,309	-	18,949,309	-	11,856,722,935
Financial Liabilities at Amortised Cost - Due to Depositors	154,405,710,056	-	154,405,710,056	-	112,546,017,229
Other Liabilities - Financial	4,099,974,790	-	4,099,974,790	-	2,041,967,432
	158,524,634,155	-	158,524,634,155	-	126,444,707,596
As at 31 December 2023	Carrying Value Rs.	Fair Value			
		Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	Total Rs.
Financial Assets					
Cash and Cash Equivalents	11,100,863,400	-	11,100,863,400	-	11,100,863,400
Balance with Central Bank of Sri Lanka	9,446,862,668	-	9,446,862,668	-	9,446,862,668
Placements with Banks	42,474,569,846	-	42,490,687,937	-	42,490,687,937
Placements with Licensed Finance Companies	80,783	-	80,996	-	80,996
Financial Assets at Amortised Cost - Financing and Receivables to Other Customers	89,658,059,768	-	87,894,132,985	-	87,894,132,985
Other Assets - Financial	2,006,908,679	-	2,006,908,679	-	2,006,908,679
	154,687,345,144	-	152,939,536,665	-	152,939,536,665
Financial Liabilities					
Due to Banks	321,166,526	-	321,166,526	-	11,856,722,935
Financial Liabilities at Amortised Cost - Due to Depositors	132,937,607,047	-	132,937,607,047	-	112,546,017,229
Other Liabilities - Financial	3,391,138,093	-	3,391,138,093	-	2,041,967,432
	136,649,911,666	-	136,649,911,666	-	126,444,707,596

42.2 Financial Instruments not Carried at Fair Value (Contd.)

The following describes the methodologies and assumptions used to determine fair values for those financial instruments which are not already recorded at fair value in the Financial Statements:

Balances with Banks, Balances with Licensed Finance Companies, Other Financial Assets and Other Financial Liabilities

For the above, which includes only instruments with short term maturities, the carrying value is a reasonable estimate of fair values.

Financial Assets at Amortised Cost - Financing and Receivables to Other Customers

The fair value of the above are estimated by discounting the estimated future cash flows using the prevailing market rates for financing as of the reporting date with similar credit risks and maturities (Level 2).

Financial Liabilities at Amortised Cost - Due to Depositors

The fair values of the above are deemed to approximate their carrying amounts as rate of returns are determined at the end of their holding periods based on the profit generated from the relevant investments.

The fair values of deposits are deemed to approximate their carrying amounts as rate of returns are determined at the end of their holding periods based on the profit generated from the assets invested.

43. RISK MANAGEMENT

43.1 Introduction

Risk is inherent in the Bank's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Bank's continuing profitability and each individual within the Bank is accountable for the risk exposures relating to his or her areas of responsibility. The Bank is mainly exposed to;

1. Credit Risk
2. Liquidity risk
3. Market risk

Refer report on Risk Management in the Annual Report, for additional information on each type of risk that the Bank is exposed to in providing banking and related activities.

Risk Management Structure

The Board of Directors is responsible for the overall risk management approach and for approving the risk management strategies and principles. Risk Management Division (RMD) oversees the risks faced by the Bank in its internal operations and from external environment.

The Board Integrated Risk Management Committee

The Board Integrated Risk Management Committee (BIRMC), is a subcommittee of the Board, meets quarterly or more regularly as required to review and assess the Bank's overall risk and to focus on policy recommendations and strategies in an integrated manner.

43. RISK MANAGEMENT (CONTD.)

Assets and Liabilities Committee

The Bank's Assets and Liabilities Committee (ALCO) regularly reviews and monitors the maintenance of liquidity position of the Bank and the concentration of large deposits in order to avoid undue dependence on individual deposits. Bank monitors liquidity by way of various ratios as required by the Board approved Asset and Liability Management Policy.

Risk Measurement and Reporting Systems

The Bank's risks are measured using a method which reflects the expected loss likely to arise in normal circumstances. These are an estimate of the ultimate actual loss based on statistical models.

Monitoring and controlling risks is primarily performed based on limits established by the Bank. These limits reflect the business strategy and market environment of the Bank as well as the level of risk that the Bank is willing to accept, with additional emphasis on selected industries.

Information compiled from all the businesses is examined and processed in order to analyse, control and identify risks on a timely basis. This information is presented and explained to the Board of Directors, the BIRMC, and the head of each business unit.

The report includes aggregate credit exposure, Value at Risk (VaR), liquidity ratios and risk profile changes.

Risk Concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Bank's performance to developments affecting a particular industry.

43.2 Credit Risk

Credit risk is the risk that the Bank will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Bank manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and industry concentrations, and by monitoring exposures in relation to such limits.

a) Impairment Assessment

The approach used for the assessment of impairment is elaborated under Accounting Policies (Note No. 2.2.c)

b) Credit related Commitment Risk

The risk arising from transactions relating to contingent liabilities (Letters of Credit, Letters of Guarantees and undrawn amounts under approved authorisations) is included under this caption. Notwithstanding the non-funded nature of these products, the Bank is prone to a resultant financial loss due to the nature of such products, i.e. claim on guarantees, negotiation of LCs and non-utilisation of facilities.

43. RISK MANAGEMENT (CONTD.)

c) Collateral and Other Credit Enhancement

An assessment of the credit risk of an individual at the time of issuing or enhancing a facility shall determine the amount and type of collateral that is required.

In the event of default, the Bank may, as a remedial measure, exercise its charge of the collateral obtained at the time of approval of credit facilities. Hence, the credit risk is eliminated to the extent of the net realisable value of such collateral, which has a weightage depending on nature of the collateral. Management monitors the market value of such collateral and requests additional collateral if required when reviewing the adequacy of the allowance for impairment. The Bank did not observe any significant deterioration in the quality of the collaterals and other credit enhancements during the reporting period. Further, the Bank has recognised ECL for all financial assets classified at amortised cost.

d) Credit Quality by Class of Financial Assets

The credit quality of financial assets is managed by the Bank using internal credit ratings. The table below shows the credit quality by class of asset for all financial assets exposed to credit risk, based on the Bank's internal credit rating system. The amounts presented are gross of impairment allowances.

Financial Assets as at 31 December 2024	Current/Past Due (Stage 1 and Stage 2)				Stage 3*	Total Rs.
	High Grade Rs.	Standard Grade Rs.	Sub-Standard Grade Rs.	Un-Rated Rs.	Rs.	
Cash and Cash Equivalents	17,070,764,566	-	-	-	-	17,070,764,566
Balance with Central Bank of Sri Lanka	7,078,039,326	-	-	-	-	7,078,039,326
Placements with Banks	38,311,689,750	-	-	-	-	38,311,689,750
Placements with Licensed Finance Companies	507,640,396	-	-	-	-	507,640,396
Derivative Financial Assets	177,460,850	-	-	-	-	177,460,850
Financial Assets Recognised through Profit or Loss - Measured at Fair Value	70,216,929	-	-	-	-	70,216,929
Financial Assets at Amortised Cost - Financing and Receivables to Other Customers (Gross)	100,403,011,434	13,105,844,131	-	-	4,013,050,176	117,521,905,741
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	345,717,504	-	2,993,000	-	348,710,504
Other Assets - Financial	-	-	-	2,829,580,181	-	2,829,580,181
Total	163,618,823,251	13,451,561,635	-	2,832,573,181	4,013,050,176	183,916,008,243

43. RISK MANAGEMENT (CONTD.)

Financial Assets as at 31 December 2023	Current/Past Due (Stage 1 and Stage 2)				Stage 3*	Total Rs.
	High Grade Rs.	Standard Grade Rs.	Sub-Standard Grade Rs.	Un-Rated Rs.	Rs.	
Cash and Cash Equivalents	11,100,863,400	-	-	-	-	11,100,863,400
Balance with Central Bank of Sri Lanka	9,446,862,668	-	-	-	-	9,446,862,668
Placements with Banks	42,474,569,846	-	-	-	-	42,474,569,846
Placements with Licensed Finance Companies	80,783	-	-	-	-	80,783
Derivative Financial Assets	194,267,095	-	-	-	-	194,267,095
Financial Assets Measured at Fair Value through Profit or Loss	1,953,000	7,041,233	-	-	-	8,994,233
Financial Assets at Amortised Cost - Financing and Receivables to Other Customers (Gross)	72,245,660,092	19,603,261,497	-	-	3,738,281,684	95,587,203,273
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	316,007,406	-	2,993,000	-	319,000,406
Other Assets - Financial	599,400	-	-	2,006,309,279	-	2,006,908,679
Total	135,464,856,284	19,926,310,136	-	2,009,302,279	3,738,281,684	161,138,750,383

* Age Analysis of Financing and Receivables to Other Customers - Stage 3

	Stage 3*				Total Rs.
	Up to 30 days Rs.	31 to 60 days Rs.	61 to 90 days Rs.	More than 90 days Rs.	
Financing and Receivables to Other Customers - 31 December 2024	2,118,577,928	33,220,673	27,997,238	1,833,254,337	4,013,050,176
Financing and Receivables to Other Customers - 31 December 2023	1,631,618,357	32,167,752	33,139,387	2,041,356,188	3,738,281,684

Notes to the Financial Statements Contd.

43. RISK MANAGEMENT (CONTD...)

e) Analysis of Risk Concentration

Maximum exposure to credit risk is reviewed/monitored without taking account of any collateral and other credit enhancements.

The concentration risk is monitored by industry. The following table shows the maximum exposure to credit risk for the components of the Statement of Financial Position, including sector.

Industry Analysis

The following table shows the risk concentration by industry for the components of the Statement of Financial Position.

Financial Assets as at 31 December 2024	Government Rs.	Financial Services Rs.	Agriculture, Forestry and Fishing Rs.	Manufacturing Rs.	Tourism Rs.
Cash and Cash Equivalents	-	17,070,764,566	-	-	-
Balance with Central Bank of Sri Lanka	7,078,039,326	-	-	-	-
Placements with Banks	-	38,311,689,750	-	-	-
Placements with Licensed Finance Companies	-	507,640,396	-	-	-
Derivative Financial Assets	-	177,460,850	-	-	-
Financial Assets Recognised through Profit or Loss - Measured at Fair Value	-	-	-	46,278,179	-
Financial Assets at Amortised Cost - Financing and Receivables to Other Customers (Gross)	-	3,414,196,775	13,405,177,203	6,607,986,416	29,726,007,986
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	348,710,504	-	-	-
Other Assets - Financial	1,341,797,928	1,001,715,144	-	-	-
Total	8,419,837,254	60,832,177,985	13,405,177,203	6,654,264,595	29,726,007,986

Financial Assets as at 31 December 2023	Government Rs.	Financial Services Rs.	Agriculture, Forestry and Fishing Rs.	Manufacturing Rs.	Tourism Rs.
Cash and Cash Equivalents	-	11,100,863,400	-	-	-
Balance with Central Bank of Sri Lanka	9,446,862,668	-	-	-	-
Placements with Banks	-	42,474,569,846	-	-	-
Placements with Licensed Finance Companies	-	80,783	-	-	-
Derivative Financial Assets	-	194,267,095	-	-	-
Financial Assets Measured at Fair Value through Profit or Loss	-	-	-	8,866,263	-
Financial Assets at Amortised Cost - Financing and Receivables to Other Customers (Gross)	-	510,871,840	12,186,487,382	8,255,431,597	21,701,040,904
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	319,000,406	-	-	-
Other Assets - Financial	1,000,386,709	616,393,515	-	-	-
Total	10,447,249,377	55,216,046,885	12,186,487,382	8,264,297,860	21,701,040,904

Transportation and Storage Rs.	Construction Rs.	Wholesale and Retail Trade Rs.	Information Technology and Communication Services Rs.	Infrastructure Development Rs.	Other Services Rs.	Consumption Rs.	Total Rs.
-	-	-	-	-	-	-	17,070,764,566
-	-	-	-	-	-	-	7,078,039,326
-	-	-	-	-	-	-	38,311,689,750
-	-	-	-	-	-	-	507,640,396
-	-	-	-	-	-	-	177,460,850
-	-	23,938,750	-	-	-	-	70,216,929
1,513,342	666,464,627	885,371,457	15,054,588,866	1,029,420,439	2,523,200,418	44,207,978,212	117,521,905,741
-	-	-	-	-	-	-	348,710,504
-	-	-	-	-	-	486,067,109	2,829,580,181
1,513,342	666,464,627	909,310,207	15,054,588,866	1,029,420,439	2,523,200,418	44,694,045,321	183,916,008,243
Transportation and Storage Rs.	Construction Rs.	Wholesale and Retail Trade Rs.	Information Technology and Communication Services Rs.	Infrastructure Development Rs.	Other Services Rs.	Consumption Rs.	Total Rs.
-	-	-	-	-	-	-	11,100,863,400
-	-	-	-	-	-	-	9,446,862,668
-	-	-	-	-	-	-	42,474,569,846
-	-	-	-	-	-	-	80,783
-	-	-	-	-	-	-	194,267,095
-	-	-	-	127,970	-	-	8,994,233
1,625,582,713	870,249,468	2,051,892,188	13,015,795,074	1,013,725,250	826,913,969	33,529,212,888	95,587,203,273
-	-	-	-	-	-	-	319,000,406
-	-	-	-	-	-	390,128,455	2,006,908,679
1,625,582,713	870,249,468	2,051,892,188	13,015,795,074	1,013,853,220	826,913,969	33,919,341,343	161,138,750,383

Notes to the Financial Statements Contd.

f) Analysis of Maximum Exposure to Credit risk and Collateral and Other Credit Enhancements

The following table shows the maximum exposure to credit risk by class of financial asset and the value of financial assets covered by collateral.

Financial Assets as at 31 December 2024	Maximum Exposure to Credit Risk Rs.	Fixed, Savings and Other deposits Rs.	Stocks in Trade Rs.	Immovable Property, Plant and Equipments Rs.	Motor Vehicles Rs.	Gold Rs.	Shares & Other Rs.	Net Exposure Rs.
Balances with Banks	5,820,536,358	-	-	-	-	-	-	5,820,536,358
Placements with Banks	38,311,689,750	-	-	-	-	-	-	38,311,689,750
Placements with Licensed Finance Companies	507,640,396	-	-	-	-	-	-	507,640,396
Derivative Financial Assets	177,460,850	-	-	-	-	-	-	177,460,850
Financial Assets Recognised through Profit or Loss - Measured at Fair Value	70,216,929	-	-	-	-	-	-	70,216,929
Financial Assets at Amortised Cost - Financing and Receivables to Other Customers	111,301,849,020	1,166,829,198	3,232,716,370	52,531,258,038	13,906,621,192	11,647,095,772	2,181,549,718	26,635,778,732
Financial Assets Measured at Fair Value through Other Comprehensive Income	348,710,504	-	-	-	-	-	-	348,710,504
Other Assets - Financial	2,829,580,181	-	-	-	-	-	-	2,829,580,181
Total	159,367,683,988	1,166,829,198	3,232,716,370	52,531,258,038	13,906,621,192	11,647,095,772	2,181,549,718	74,701,613,700

Financial Assets as at 31 December 2023	Maximum Exposure to Credit Risk Rs.	Fixed, Savings and Other deposits Rs.	Stocks in Trade Rs.	Immovable Property, Plant and Equipments Rs.	Motor Vehicles Rs.	Gold Rs.	Shares & Other Rs.	Net Exposure Rs.
Balances with Banks	5,594,328,070	-	-	-	-	-	-	5,594,328,070
Placements with Banks	42,474,569,846	-	-	-	-	-	-	42,474,569,846
Placements with Licensed Finance Companies	80,783	-	-	-	-	-	-	80,783
Derivative Financial Assets	194,267,095	-	-	-	-	-	-	194,267,095
Financial Assets Recognised through Profit or Loss - Measured at Fair Value	8,994,233	-	-	-	-	-	-	8,994,233
Financial Assets at Amortised Cost - Financing and Receivables to Other Customers	89,658,059,768	1,491,283,954	2,291,340,780	43,854,141,308	7,902,294,882	11,540,255,547	1,061,173,421	21,517,569,876
Financial Assets Measured at Fair Value through Other Comprehensive Income	319,000,406	-	-	-	-	-	-	319,000,406
Other Assets - Financial	2,006,908,679	-	-	-	-	-	-	2,006,908,679
Total	140,256,208,880	1,491,283,954	2,291,340,780	43,854,141,308	7,902,294,882	11,540,255,547	1,061,173,421	72,115,718,988

43. RISK MANAGEMENT (CONTD...)

43.3 Liquidity Risk and Funding Management

Liquidity risk implies the potential for loss to the Bank due to inability to meets its obligation or to fund the increase in assets as they fall due without incurring high cost.

Internal control processes and contingency plans for managing liquidity risk have been developed by the Bank under the Asset and Liability Management Policy of the Bank. This incorporates an assessment of expected cash flows and the availability of liquid funds which could be used if required.

As required by the Provisions of Section 93 of the Monetary Law Act, a cash balance is required to be maintained with Central Bank of Sri Lanka. As at 31 December 2024, the minimum cash reserve requirement was 2.0% (2023 - 2.0%) of the Rupee liabilities of the Domestic Banking Unit. There is no reserve requirement for foreign currency deposit liabilities of the Domestic Banking Unit.

The Bank monitors the mix of deposits closely and concentrates on mobilising zero or low cost deposits such as current accounts and savings accounts as a source of major funding.

Liquid assets are defined for the purposes of the liquidity ratio which are mainly Cash and Cash equivalents and Placements with Banks. Adequate liquid assets are maintained based on the Bank’s business model adopted and ensure the Statutory Liquid Asset Ratio is maintained as per regulatory requirements.

a) Liquidity Ratios

As at 31 December	2024	2023
Financing and Receivables to Other Customers to Due to Other Customers Ratio (Net)	72.08%	66.61%
Statutory Liquid Assets Ratio - Consolidated	N/A	38.50%
Liquidity Coverage Ratio (%) (Minimum Requirement 100%)		
- Rupee (%)	369%	300%
- All Currency (%)	253%	235%

Notes to the Financial Statements Contd.

b) Analysis of Financial Assets and Liabilities by Remaining Contractual Maturities

The table below summarises the maturity profile of the undiscounted cash flows (Gross) of the Bank's Financial Assets and Financial Liabilities as at the end of the reporting period.

Statement of Financial Position as at 31 December 2024	Up to 3 Months Rs.	3-12 Months Rs.	1 - 3 Years Rs.	3 - 5 Years Rs.	Over 5 Years Rs.	Total Rs.
Financial Assets						
Cash and Cash Equivalents	17,070,764,566	-	-	-	-	17,070,764,566
Balance with Central Bank of Sri Lanka	7,078,039,326	-	-	-	-	7,078,039,326
Placements with Banks	37,795,110,568	516,579,182	-	-	-	38,311,689,750
Placements with Licensed Finance Companies	507,640,396	-	-	-	-	507,640,396
Derivative Financial Assets	177,460,850	-	-	-	-	177,460,850
Financial Assets Recognised through Profit or Loss - Measured at Fair Value	70,216,929	-	-	-	-	70,216,929
Financial Assets at Amortised Cost - Financing and Receivables to Other Customers	42,676,954,659	50,503,030,388	25,488,669,823	11,571,878,688	6,539,765,846	136,780,299,404
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-	-	-	348,710,504	348,710,504
Other Assets - Financial	2,739,420,931	225,000	89,934,250	-	-	2,829,580,181
Total Undiscounted Financial Assets	108,115,608,225	51,019,834,570	25,578,604,073	11,571,878,688	6,888,476,350	203,174,401,906
Financial Liabilities						
Due to Banks	18,949,309	-	-	-	-	18,949,309
Derivative Financial Liabilities	22,856,743	-	-	-	-	22,856,743
Financial Liabilities at Amortised Cost - Due to Depositors	92,807,271,510	50,307,414,303	7,881,629,957	1,245,154,615	2,164,239,671	154,405,710,056
Other Liabilities - Financial	4,066,242,077	-	33,732,713	-	-	4,099,974,790
Total Undiscounted Financial Liabilities	96,915,319,639	50,307,414,303	7,915,362,670	1,245,154,615	2,164,239,671	158,547,490,898
Total Net Financial Assets/(Liabilities)	11,200,288,586	712,420,266	17,663,241,404	10,326,724,073	4,724,236,679	44,626,911,008

43. RISK MANAGEMENT (CONTD...)

Statement of Financial Position as at 31 December 2023	Up to 3 Months Rs.	3-12 Months Rs.	1 - 3 Years Rs.	3 - 5 Years Rs.	Over 5 Years Rs.	Total Rs.
Financial Assets						
Cash and Cash Equivalents	11,100,863,400	-	-	-	-	11,100,863,400
Balance with Central Bank of Sri Lanka	9,446,862,668	-	-	-	-	9,446,862,668
Placements with Banks	33,235,819,161	6,738,750,685	2,500,000,000	-	-	42,474,569,846
Placements with Licensed Finance Companies	80,783	-	-	-	-	80,783
Derivative Financial Assets	168,678,523	25,588,572	-	-	-	194,267,095
Financial Assets Recognised through Profit or Loss - Measured at Fair Value	8,994,233	-	-	-	-	8,994,233
Financial Assets at Amortised Cost - Financing and Receivables to Other Customers	41,640,578,035	39,268,923,259	17,566,768,910	8,094,383,952	6,239,518,337	112,810,172,493
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-	-	-	319,000,406	319,000,406
Other Assets - Financial	1,797,132,563	123,784,486	85,991,630	-	-	2,006,908,679
Total Undiscounted Financial Assets	97,399,009,366	46,157,047,003	20,152,760,540	8,094,383,952	6,558,518,743	178,361,719,602
Financial Liabilities						
Due to Banks	321,166,526	-	-	-	-	321,166,526
Derivative Financial Liabilities	947,739	-	-	-	-	947,739
Financial Liabilities at Amortised Cost - Due to Depositors	67,463,521,302	61,297,912,787	1,160,122,707	999,286,938	2,016,763,313	132,937,607,047
Other Liabilities - Financial	3,349,245,544	8,759,869	33,132,680	-	-	3,391,138,093
Total Undiscounted Financial Liabilities	71,134,881,111	61,306,672,656	1,193,255,387	999,286,938	2,016,763,313	136,650,859,405
Total Net Financial Assets/(Liabilities)	26,264,128,255	(15,149,625,653)	18,959,505,153	7,095,097,014	4,541,755,430	41,710,860,197

Notes to the Financial Statements Contd.

c) Contractual Maturities of Commitments & Contingencies

As at 31 December 2024	Up to 3 Months Rs.	3-12 Months Rs.	1 - 3 Years Rs.	3 - 5 Years Rs.	Over 5 Years Rs.	Total Rs.
Acceptances	3,234,015,374	2,580,898,348	-	-	-	5,814,913,722
Letters of Credit	4,114,238,360	722,135,025	-	-	-	4,836,373,385
Guarantees, Bonds	2,253,477,210	3,584,526,327	455,940,989	19,111,573	-	6,313,056,099
Outward Clearing Receivable	794,832,345	-	-	-	-	794,832,345
Promissory Forward Sales	11,588,489,880	-	-	-	-	11,588,489,880
Promissory Forward Purchases	2,588,697,520	-	-	-	-	2,588,697,520
Commitments for Unutilised Facilities	14,218,545,172	-	-	-	-	14,218,545,172
Bills for Collection and Other	3,536,910,210	-	-	-	-	3,536,910,210
Impairment Allowance for Commitment and Contingencies	(62,844,158)	(23,296,385)	(2,871,923)	(131,256)	-	(89,143,722)
Total	42,266,361,913	6,864,263,315	453,069,066	18,980,317	-	49,602,674,611

As at 31 December 2023	Up to 3 Months Rs.	3-12 Months Rs.	1 - 3 Years Rs.	3 - 5 Years Rs.	Over 5 Years Rs.	Total Rs.
Acceptances	2,868,502,860	1,515,492,414	-	-	-	4,383,995,274
Letters of Credit	1,609,053,429	75,739,017	-	-	-	1,684,792,446
Guarantees, Bonds	1,550,787,524	2,598,796,294	530,574,524	38,166,545	-	4,718,324,887
Outward Clearing Receivable	779,851,662	-	-	-	-	779,851,662
Promissory Forward Sales	11,100,240,000	567,000,000	-	-	-	11,667,240,000
Promissory Forward Purchases	972,000,000	-	-	-	-	972,000,000
Commitments for Unutilised Facilities	5,541,078,566	8,311,617,849	-	-	-	13,852,696,415
Bills for Collection and Other	2,768,973,018	-	-	-	-	2,768,973,018
Impairment Allowance for Commitment and Contingencies	(88,124,042)	-	-	-	-	(88,124,042)
Total	27,102,363,017	13,068,645,574	530,574,524	38,166,545	-	40,739,749,660

43.4 Market Risk

Market Risk denotes the risk of losses arising out of balance sheet positions due to changes in market prices. Market risk mainly arises from activities undertaken by the Bank's treasury and foreign exchange, equity, commodity and money market portfolios, which mainly contribute towards market risk of the Bank. A Board approved comprehensive limit structure has been adopted by the Bank to mitigate and monitor the market risk of the Bank.

a) Rate Risk

The rate risk arises due to changes in value of financial instruments arising due to changes in market rates. The Bank is exposed to this risk due to the mismatches in maturities of assets and liabilities that mature or are re-priced during a specified time period. In order to manage and mitigate rate risk, the Bank's ALCO reviews the re-pricing of assets and liabilities at ALCO meetings held regularly. Bank's rate risk is limited due to the model adopted where all of its Due to Depositors (customer deposits) have been accepted on Profit and Loss sharing basis.

43. RISK MANAGEMENT (CONTD...)

Rate Sensitive Assets and Liabilities Maturity Gaps (Contractual Basis) as at 31 December 2024	Up to 3 Months Rs.	3-12 Months Rs.	1 - 3 Years Rs.	3 - 5 Years Rs.	Over 5 Years Rs.	Non-Rate Bearing Rs.	Total Rs.
Cash and Cash Equivalents	-	-	-	-	-	17,070,764,566	17,070,764,566
Balance with Central Bank of Sri Lanka	-	-	-	-	-	7,078,039,326	7,078,039,326
Placements with Banks	37,795,110,568	516,579,182	-	-	-	-	38,311,689,750
Placements with Licensed Finance Companies	507,640,396	-	-	-	-	-	507,640,396
Derivative Financial Assets	-	-	-	-	-	177,460,850	177,460,850
Financial Assets Recognised through Profit or Loss - Measured at Fair Value	-	-	-	-	-	70,216,929	70,216,929
Financial Assets at Amortised Cost - Financing and Receivables to Other Customers	35,740,021,110	42,556,455,763	18,920,880,510	8,967,542,395	5,116,949,242	-	111,301,849,020
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	348,710,504	348,710,504
Other Assets - Financial	-	-	-	-	-	2,829,580,181	2,829,580,181
Total Assets	74,042,772,074	43,073,034,945	18,920,880,510	8,967,542,395	5,116,949,242	27,574,772,356	177,695,951,522
Due to Banks	18,949,309	-	-	-	-	-	18,949,309
Derivative Financial Liabilities	-	-	-	-	-	22,856,743	22,856,743
Financial Liabilities at Amortised Cost - Due to Depositors	80,566,598,584	50,307,414,303	7,881,629,957	1,245,154,615	2,164,239,671	12,240,672,926	154,405,710,056
Other Liabilities - Financial	-	-	-	-	-	4,099,974,790	4,099,974,790
Total Liabilities	80,585,547,893	50,307,414,303	7,881,629,957	1,245,154,615	2,164,239,671	16,363,504,459	158,547,490,898
Rate Sensitivity Gap	(6,542,775,819)	(7,234,379,358)	11,039,250,553	7,722,387,780	2,952,709,571	11,211,267,897	

Notes to the Financial Statements Contd.

43. RISK MANAGEMENT (CONTD...)

Rate Sensitive Assets and Liabilities Maturity Gaps (Contractual Basis) as at 31 December 2023	Up to 3 Months Rs.	3-12 Months Rs.	1 - 3 Years Rs.	3 - 5 Years Rs.	Over 5 Years Rs.	Non-Rate Bearing Rs.	Total Rs.
Cash and Cash Equivalents	-	-	-	-	-	11,100,863,400	11,100,863,400
Balance with Central Bank of Sri Lanka	-	-	-	-	-	9,446,862,668	9,446,862,668
Placements with Banks	33,235,819,161	6,738,750,685	2,500,000,000	-	-	-	42,474,569,846
Placements with Licensed Finance Companies	80,783	-	-	-	-	-	80,783
Derivative Financial Assets	-	-	-	-	-	194,267,095	194,267,095
Financial Assets Recognised through Profit or Loss - Measured at Fair Value	-	-	-	-	-	8,994,233	8,994,233
Financial Assets at Amortised Cost - Financing and Receivables to Other Customers	34,751,016,203	32,138,942,094	12,322,215,430	5,792,028,372	4,653,857,669	-	89,658,059,768
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	319,000,406	319,000,406
Other Assets - Financial	-	-	-	-	-	2,006,908,679	2,006,908,679
Total Assets	67,986,916,147	38,877,692,779	14,822,215,430	5,792,028,372	4,653,857,669	23,076,896,481	155,209,606,878
Due to Banks	321,166,526	-	-	-	-	-	321,166,526
Derivative Financial Liabilities	-	-	-	-	-	947,739	947,739
Financial Liabilities at Amortised Cost - Due to Depositors	58,476,819,651	61,297,912,787	1,160,122,707	999,286,938	2,016,763,313	8,986,701,651	132,937,607,047
Other Liabilities - Financial	-	-	-	-	-	3,391,138,093	3,391,138,093
Total Liabilities	58,797,986,177	61,297,912,787	1,160,122,707	999,286,938	2,016,763,313	12,378,787,483	136,650,859,405
Rate Sensitivity Gap	9,188,929,970	(22,420,220,008)	13,662,092,723	4,792,741,434	2,637,094,356	10,698,108,998	

43.5 FOREIGN EXCHANGE RISK

Foreign Exchange risk which arises due to the changes in foreign exchange rates is managed by the Bank by setting and monitoring dealer, currency, counterparty and settlement limits for On and Off Balance Sheet instruments.

Bank's activities in the Trade Finance business results in Off Balance Sheet financial instruments. In addition, the Bank engages in interbank promissory forward foreign exchange transactions to cover the positions created due to customer transactions. Such transactions are carried out on a matched basis to manage the cash flows of currencies.

The currency risk is managed and monitored against the regulatory limits approved for the Bank by the Central Bank of Sri Lanka. The foreign exchange exposures in individual currencies are managed according to the limits approved by the Board of Directors.

43. RISK MANAGEMENT (CONTD...)

43.6 Currency Risk

Currency risk arises as a result of price fluctuations in assets due to change in exchange rates. The Board of Directors has set limits for currency wise exposures. The currency exposures are monitored on a daily basis as required by the Risk Management policy of the Bank.

The table below indicates the exposures in currencies the Bank carried as at 31 December 2024 and the effect of the gains/losses if the market rates appreciate/depreciate by 5%. The calculation indicates a reasonably practical movement of currency rates against Sri Lankan Rupees.

If market rates appreciate or depreciate by 5% the effect of the same to the exchange gain/(loss) would be:

Currency	2024		2023	
	5% Appreciation Rs.	5% Depreciation Rs.	5% Appreciation Rs.	5% Depreciation Rs.
Australian Dollars	311,823	(311,823)	551,273	(551,273)
Great Britain Pounds	247,419	(247,419)	1,391,615	(1,391,615)
Japanese Yen	143,319	(143,319)	199,953	(199,953)
United States Dollars	(373,093)	373,093	(157,273)	157,273
Other Currencies	6,652,966	(6,652,966)	10,248,425	(10,248,425)
Total	6,982,434	(6,982,434)	12,233,994	(12,233,994)

43.7 Equity Price Risk

Equity price risk arises due to changes in individual equity prices.

The Board of Directors of the Bank has laid down sector, portfolio and loss limits to control and mitigate the risks of the equity portfolio. The Bank also adheres to the guidelines issued by Central Bank of Sri Lanka regarding the exposure to a single entity and the total exposure limit for the equity portfolio. The performance of the equity portfolio is monitored by the Equity Investment Committee (EIC), ALCO and the Board of Directors. The Bank engages in transactions only in white-listed equities.

Daily Mark-to-Market of portfolios are carried out based on the weighted average closing prices of the Colombo Stock Exchange.

43. RISK MANAGEMENT (CONTD...)
43.8 Stage wise movement of Financing and Receivables to Other Customers
43.8.1 Financing and Receivables to Other Customers - Stage-wise Movement in Gross Carrying Values

	Stage 1 Rs.	Stage 2 Rs.	Stage 3 Rs.	Total Rs.
As at 1 January 2024	76,701,264,818	15,147,656,771	3,738,281,684	95,587,203,273
New Financial Assets Originated	74,161,317,304	4,686,392,441	206,267,598	79,053,977,343
Assets Derecognised	(47,233,034,089)	(3,997,765,713)	(733,913,150)	(51,964,712,952)
Transfers to Stage 1	2,664,438,481	(2,618,228,697)	(46,209,784)	-
Transfers to Stage 2	(2,202,189,547)	2,228,566,381	(26,376,834)	-
Transfers to Stage 3	(215,507,970)	(853,975,077)	1,069,483,047	-
Amounts Written Off	-	-	-	-
Other Changes *	(3,935,621,417)	(1,024,458,121)	(194,482,385)	(5,154,561,923)
As at 31 December 2024	99,940,667,580	13,568,187,985	4,013,050,176	117,521,905,741

	Stage 1 Rs.	Stage 2 Rs.	Stage 3 Rs.	Total Rs.
As at 1 January 2023	74,873,086,835	9,044,027,200	3,188,674,258	87,105,788,293
New Financial Assets Originated	54,262,439,253	3,533,522,830	76,266,071	57,872,228,154
Assets Derecognised	(40,782,477,685)	(2,724,152,534)	(607,706,069)	(44,114,336,288)
Transfers to Stage 1	1,972,344,810	(1,907,514,649)	(64,830,161)	-
Transfers to Stage 2	(8,865,462,357)	9,026,910,422	(161,448,065)	-
Transfers to Stage 3	(724,285,723)	(786,906,361)	1,511,192,084	-
Amounts Written Off	-	-	(102,250,351)	(102,250,351)
Other Changes *	(4,034,380,315)	(1,038,230,137)	(101,616,083)	(5,174,226,535)
As at 31 December 2023	76,701,264,818	15,147,656,771	3,738,281,684	95,587,203,273

* - includes effects of income accrual, settlements and exchange rate movements.

43.8.2 Financing and Receivables to Other Customers - Stage-wise Movement in Impairment Allowance

	Stage 1 Rs.	Stage 2 Rs.	Stage 3 Rs.	Total Rs.
As at 1 January 2024	1,131,909,909	2,675,414,044	2,121,819,555	5,929,143,508
New Financial Assets Originated	1,006,051,465	481,926,034	85,199,123	1,573,176,622
Assets Derecognised	(560,325,155)	(633,121,104)	(252,120,315)	(1,445,566,574)
Additional Impairment/Effect of Remeasurement	(191,269,860)	207,571,991	147,001,034	163,303,165
Transfers to Stage 1	226,806,596	(208,503,490)	(18,303,106)	-
Transfers to Stage 2	(49,637,120)	56,322,705	(6,685,585)	-
Transfers to Stage 3	(3,129,971)	(346,573,520)	349,703,491	-
Amounts Written Off	-	-	-	-
As at 31 December 2024	1,560,405,864	2,233,036,660	2,426,614,197	6,220,056,721

	Stage 1 Rs.	Stage 2 Rs.	Stage 3 Rs.	Total Rs.
As at 1 January 2023	980,928,975	1,711,995,885	1,226,946,891	3,919,871,751
New Financial Assets Originated	703,060,830	529,380,629	18,777,359	1,251,218,818
Assets Derecognised	(451,860,505)	(502,427,824)	(160,405,618)	(1,114,693,947)
Additional Impairment/Effect of Remeasurement	(244,884,428)	1,332,599,635	887,282,027	1,974,997,234
Transfers to Stage 1	277,916,233	(258,844,846)	(19,071,387)	-
Transfers to Stage 2	(125,042,356)	160,668,704	(35,626,348)	-
Transfers to Stage 3	(8,208,843)	(297,958,139)	306,166,982	-
Amounts Written Off	-	-	(102,250,351)	(102,250,351)
As at 31 December 2023	1,131,909,906	2,675,414,044	2,121,819,555	5,929,143,505

There is no contractual amount outstanding on financial assets that have been written off during the year and that are still subject to enforcement activity (2023 : Nil).

Notes to the Financial Statements Contd.

43. RISK MANAGEMENT (CONTD...)

43.9 Collateral and other credit enhancements

	2024				2023			
	Gross Carrying Amount				Gross Carrying Amount			
	Stage 1 Rs.	Stage 2 Rs.	Stage 3 Rs.	Total Rs.	Stage 1 Rs.	Stage 2 Rs.	Stage 3 Rs.	Total Rs.
Overdraft	12,136,474,657	1,548,585,451	363,785,556	14,048,845,664	7,957,175,747	573,014,866	383,970,270	8,914,160,883
Trade Finance	4,002,014,693	366,260,444	2,497,725	4,370,772,862	1,629,968,063	14,244,889	2,497,725	1,646,710,677
Lease Receivable	8,630,676,623	425,302,331	70,662,918	9,126,641,872	5,077,175,476	423,974,035	50,137,056	5,551,286,567
Staff Receivables	1,160,813,187	4,488,819	5,315,619	1,170,617,625	707,373,468	3,588,061	4,213,676	715,175,205
Term Financing: Long	23,593,279,904	7,434,221,074	2,487,099,974	33,514,600,952	18,515,098,309	7,617,997,836	2,041,385,993	28,174,482,138
Term Financing: Short	38,875,826,969	3,565,387,203	955,709,309	43,396,923,481	31,338,913,488	5,862,228,210	915,899,586	38,117,041,284
Gold Facilities	11,349,657,545	213,817,755	119,679,108	11,683,154,408	10,762,207,631	647,812,430	333,990,252	11,744,010,313
Others	191,924,002	10,124,908	8,299,967	210,348,877	713,352,636	4,796,444	6,187,126	724,336,206
As at 31 December	99,940,667,580	13,568,187,985	4,013,050,176	117,521,905,741	76,701,264,818	15,147,656,771	3,738,281,684	95,587,203,273

	2024				2023			
	Collateral				Collateral			
	Stage 1 Rs.	Stage 2 Rs.	Stage 3 Rs.	Total Rs.	Stage 1 Rs.	Stage 2 Rs.	Stage 3 Rs.	Total Rs.
Overdraft	7,430,789,815	126,015,082	292,670,713	7,849,475,610	5,254,341,669	437,231,805	306,384,213	5,997,957,687
Trade Finance	1,010,656,129	64,093,425	2,497,725	1,077,247,279	408,007,329	12,075,000	2,497,725	422,580,054
Lease Receivable	8,484,101,747	423,547,688	68,065,484	8,975,714,919	4,988,242,890	414,011,253	47,638,399	5,449,892,542
Staff Receivables	1,130,704,840	4,488,819	5,287,910	1,140,481,569	679,091,931	1,116,544	4,067,604	684,276,079
Term Financing: Long	18,519,139,756	6,472,402,865	2,251,608,425	27,243,151,046	13,942,091,539	6,452,474,019	1,858,697,883	22,253,263,441
Term Financing: Short	14,533,950,864	2,258,990,795	372,964,011	17,165,905,670	13,127,892,102	3,732,045,920	348,391,564	17,208,329,586
Gold Facilities	11,349,657,545	213,817,755	119,679,108	11,683,154,408	10,762,207,631	647,812,430	333,990,252	11,744,010,313
Others	106,189,000	9,922,255	7,668,945	123,780,200	400,969,603	4,532,749	5,534,095	411,036,447
As at 31 December	62,565,189,696	9,573,278,684	3,120,442,321	75,258,910,701	49,562,844,694	11,701,299,720	2,907,201,735	64,171,346,149

	2024				2023			
	Net Exposure				Net Exposure			
	Stage 1 Rs.	Stage 2 Rs.	Stage 3 Rs.	Total Rs.	Stage 1 Rs.	Stage 2 Rs.	Stage 3 Rs.	Total Rs.
Overdraft	4,705,684,842	1,422,570,369	71,114,843	6,199,370,054	2,702,834,078	135,783,061	77,586,057	2,916,203,196
Trade Finance	2,991,358,564	302,167,019	-	3,293,525,583	1,221,960,734	2,169,889	-	1,224,130,623
Lease Receivable	146,574,876	1,754,643	2,597,434	150,926,953	88,932,586	9,962,782	2,498,657	101,394,025
Staff Receivables	30,108,347	-	27,709	30,136,056	28,281,537	2,471,517	146,072	30,899,126
Term Financing: Long	5,074,140,148	961,818,209	235,491,549	6,271,449,906	4,573,006,770	1,165,523,817	182,688,110	5,921,218,697
Term Financing: Short	24,341,876,105	1,306,396,408	582,745,298	26,231,017,811	18,211,021,386	2,130,182,290	567,508,022	20,908,711,698
Gold Facilities	-	-	-	-	-	-	-	-
Others	85,735,002	202,653	631,022	86,568,677	312,383,033	263,695	653,031	313,299,759
As at 31 December	37,375,477,884	3,994,909,301	892,607,855	42,262,995,040	27,138,420,124	3,446,357,051	831,079,949	31,415,857,124

44. MATURITY ANALYSIS

As at 31 December 2024	Up to 3 Months Rs.	3-12 Months Rs.	1 - 3 Years Rs.	3 - 5 Years Rs.	Over 5 Years Rs.	Total Rs.
Assets						
Cash and Cash Equivalents	17,070,764,566	-	-	-	-	17,070,764,566
Balance with Central Bank of Sri Lanka	6,280,754,703	423,744,620	215,469,826	90,432,182	67,637,995	7,078,039,326
Placements with Banks	37,795,110,568	516,579,182	-	-	-	38,311,689,750
Placements with Licensed Finance Companies	507,640,396	-	-	-	-	507,640,396
Derivative Financial Assets	177,460,850	-	-	-	-	177,460,850
Financial Assets Recognised Through Fair Value through Profit or Loss	70,216,929	-	-	-	-	70,216,929
Financial Assets at Amortised Cost - Financing and Receivables to Other Customers	35,740,021,110	42,556,455,763	18,920,880,510	8,967,542,395	5,116,949,242	111,301,849,020
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-	-	-	348,710,504	348,710,504
Other Assets - Financial	2,739,420,931	225,000	89,934,250	-	-	2,829,580,181
Property, Plant, Equipment And Right-of-Use Assets	-	-	-	-	2,968,026,601	2,968,026,601
Intangible Assets	-	-	-	-	337,562,608	337,562,608
Other Assets - Non Financial	250,115,496	260,834,839	-	-	-	510,950,335
Deferred Tax Assets	-	-	-	-	824,316,848	824,316,848
Total Assets	100,631,505,549	43,757,839,404	19,226,284,586	9,057,974,577	9,663,203,798	182,336,807,914
Liabilities						
Due to Banks	18,949,309	-	-	-	-	18,949,309
Derivative Financial Liabilities	22,856,743	-	-	-	-	22,856,743
Financial Liabilities at Amortised Cost - Due to Depositors	52,891,010,310	53,995,587,944	27,504,534,415	11,488,368,816	8,526,208,570	154,405,710,056
Other Liabilities - Financial	4,066,242,077	-	33,732,713	-	-	4,099,974,790
Current Tax Liabilities	236,732,521	236,732,521	-	-	-	473,465,041
Dividend Payable	99,470,636	-	-	-	-	99,470,636
Retirement Benefit Liability	-	-	-	-	186,730,809	186,730,809
Other Liabilities - Non Financial	187,790,136	-	-	-	-	187,790,136
Total Liabilities	57,523,051,732	54,232,320,465	27,538,267,128	11,488,368,816	8,712,939,379	159,494,947,520
Maturity Gap	43,108,453,817	(10,474,481,060)	(8,311,982,542)	(2,430,394,239)	950,264,419	22,841,860,394

Notes to the Financial Statements Contd.

44. MATURITY ANALYSIS (CONTD...)

As at 31 December 2023	Up to 3 Months Rs.	3-12 Months Rs.	1 - 3 Years Rs.	3 - 5 Years Rs.	Over 5 Years Rs.	Total Rs.
Assets						
Cash and Cash Equivalents	11,100,863,400	-	-	-	-	11,100,863,400
Balance with Central Bank of Sri Lanka	8,703,686,521	418,644,597	183,635,692	86,253,684	54,642,174	9,446,862,668
Placements with Banks	33,235,819,161	6,738,750,685	2,500,000,000	-	-	42,474,569,846
Placements with Licensed Finance Companies	80,783	-	-	-	-	80,783
Derivative Financial Assets	168,678,523	25,588,572	-	-	-	194,267,095
Financial Assets Recognised Through Fair Value through Profit or Loss	-	-	-	-	8,994,233	8,994,233
Financial Assets at Amortised Cost - Financing and Receivables to Other Customers	34,751,016,203	32,138,942,094	12,322,215,430	5,792,028,372	4,653,857,669	89,658,059,768
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-	-	-	319,000,406	319,000,406
Other Financial Assets	1,797,132,563	123,784,486	85,991,630	-	-	2,006,908,679
Property, Plant, Equipment And Right-of-Use Assets	-	-	-	-	2,775,396,192	2,775,396,192
Intangible Assets	-	-	-	-	379,309,190	379,309,190
Other Assets - Non Financial	64,040,908	235,014,347	3,978,397	-	-	303,033,651
Deferred Tax Assets	-	-	-	-	784,429,734	784,429,734
Total Assets	89,821,318,062	39,680,724,781	15,095,821,149	5,878,282,056	8,975,629,598	159,451,775,645
Liabilities						
Due to Banks	321,166,526	-	-	-	-	321,166,526
Derivative Financial Liabilities	947,739	-	-	-	-	947,739
Financial Liabilities at Amortised Cost - Due to Depositors	37,135,364,576	54,057,088,898	23,746,629,031	11,085,271,056	6,913,253,486	132,937,607,047
Other Liabilities - Financial	3,349,245,544	8,759,869	33,132,680	-	-	3,391,138,093
Current Tax Liabilities	223,534,265	498,610,208	-	-	-	722,144,473
Dividend Payable	6,325,683	-	-	-	-	6,325,683
Retirement Benefit Liability	-	-	-	-	130,416,033	130,416,033
Other Liabilities - Non Financial	214,319,023	31,126,804	-	-	-	245,445,827
Total Liabilities	41,250,903,356	54,595,585,779	23,779,761,711	11,085,271,056	7,043,669,519	137,755,191,421
Maturity Gap	48,570,414,706	(14,914,860,999)	(8,683,940,562)	(5,206,989,000)	1,931,960,079	21,696,584,224

45. COMMITMENTS AND CONTINGENCIES

45.1 Capital Expenditure Commitments

The Bank does not have significant capital commitments as at the reporting date.

45.2 Contingencies

In the normal course of business the Bank makes various irrevocable commitments and incurs certain contingent liabilities with legal recourse to its customers. Even though these obligations are not recognised on the statement of financial position, they do contain credit risk and therefore form part of the overall risk profile of the Bank.

As at 31 December 2024	Note	Stage 1 Rs.	Stage 2 Rs.	Stage 3 Rs.	Total Rs.
Commitments on Direct Advances and Indirect Advances					
Commitments for Unutilised Facilities		10,962,970,631	3,186,379,468	69,195,073	14,218,545,172
		10,962,970,631	3,186,379,468	69,195,073	14,218,545,172
Contingent Liabilities					
Letters of Credit		4,671,375,791	52,943,636	112,053,958	4,836,373,385
Guarantees, Bonds		5,836,150,279	476,905,820	-	6,313,056,099
Outward Clearing Cheques	45.2.1	794,832,345	-	-	794,832,345
Acceptances		5,024,007,704	790,906,018	-	5,814,913,722
Bills for Collection and Others		2,576,714,573	960,195,637	-	3,536,910,210
		18,903,080,692	2,280,951,111	112,053,958	21,296,085,761
Gross Credit related Commitments and Contingencies		29,866,051,323	5,467,330,579	181,249,031	35,514,630,933
Impairment for Expected Credit Losses	45.2.2	(58,671,277)	(18,898,284)	(11,574,161)	(89,143,722)
Net Credit related Commitments and Contingencies		29,807,380,046	5,448,432,295	169,674,870	35,425,487,211
Promissory Forward Foreign Exchange Transactions					
Promissory Forward Sales					11,588,489,880
Promissory Forward Purchases					2,588,697,520
					14,177,187,400
Total Commitments and Contingencies					49,602,674,611

45.2.1 Outward Clearing Cheques represent the cheques deposited in current accounts but pending realisation from clearing as at the reporting date.

Notes to the Financial Statements Contd.

45. COMMITMENTS AND CONTINGENCIES (Contd...)

45.2.2 Impairment Allowance for Commitment and Contingencies

	2024 Rs.	2023 Rs.
ECL Allowance as at 1 January	88,124,042	94,618,797
Charge/(Reversal) for the year	1,019,680	(6,494,755)
Amounts Written Off	-	-
As at 31 December	89,143,722	88,124,042

The table below shows the total Commitment and Contingencies as at 31 December 2023.

As at 31 December 2023	Note	Stage 1 Rs.	Stage 2 Rs.	Stage 3 Rs.	Total Rs.
Commitments on Direct Advances and Indirect Advances:					
Commitments for Unutilised Facilities		12,368,779,107	1,465,917,294	18,000,014	13,852,696,415
		12,368,779,107	1,465,917,294	18,000,014	13,852,696,415
Contingent Liabilities					
Letters of Credit		1,586,403,367	44,571,376	53,817,703	1,684,792,446
Guarantees, Bonds		4,480,050,358	238,274,529	-	4,718,324,887
Outward Clearing Cheques	45.2.1	779,851,662	-	-	779,851,662
Acceptances		3,932,440,785	451,554,489	-	4,383,995,274
Bills for Collection and Other		2,204,636,982	564,336,036	-	2,768,973,018
		12,983,383,154	1,298,736,430	53,817,703	14,335,937,287
Gross Credit related Commitments and Contingencies		25,352,162,261	2,764,653,724	71,817,717	28,188,633,702
Impairment for Expected Credit Losses	45.2.2	(69,049,309)	(12,781,103)	(6,293,630)	(88,124,042)
Net Credit related Commitments and Contingencies		25,283,112,952	2,751,872,621	65,524,087	28,100,509,660
Promissory Forward Foreign Exchange Transactions					
Promissory Forward Sales					11,667,240,000
Promissory Forward Purchases					972,000,000
					12,639,240,000
Total Commitments and Contingencies					40,739,749,660

45. COMMITMENTS AND CONTINGENCIES (CONTD...)

45.3 Lease Receivables

As at 31 December 2024	Total Future Minimum Payments Rs.	Unearned Finance Income Rs.	Present Value of Minimum Lease Payment Rs.
0 - 1 Year	4,513,170,237	1,021,291,077	3,491,879,160
1 - 5 Years	6,660,417,244	1,061,385,480	5,599,031,764
More than 5 Years	40,232,559	4,501,611	35,730,948
	11,213,820,040	2,087,178,168	9,126,641,872

As at 31 December 2023	Total Future Minimum Payments Rs.	Unearned Finance Income Rs.	Present Value of Minimum Lease Payment Rs.
0 - 1 Year	2,967,614,492	703,086,135	2,264,528,357
1 - 5 Years	3,992,523,599	715,578,069	3,276,945,530
More than 5 Years	11,165,871	1,353,191	9,812,680
	6,971,303,962	1,420,017,395	5,551,286,567

46. RELATED PARTY DISCLOSURES

The Bank carries out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties as defined under LKAS 24 "Related Party Disclosures".

The pricing applicable to such transactions is based on the risk profile and the pricing model of the Bank which is in line with what is applied to transactions between the Bank and its non-related customers.

46.1 Parent and Ultimate controlling party

The Bank does not have an identifiable parent of its own.

46.2 Transactions with Key Management Personnel (KMPs)

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director of that entity.

Accordingly the Bank's KMPs include the Board of Directors and selected key employees who meet the above criteria.

Key Management Personnel Compensation	2024 Rs.	2023 Rs.
Short-term Employee Benefits including Director's Emoluments	200,209,394	173,772,216
Share Based Payments	8,798,721	16,568,115
Total	209,008,115	190,340,331

No other benefits have been paid to KMPs other than those which are statutory in nature.

46.3 Transactions, Arrangements and Agreements involving KMPs & their Close family members (CFMs)

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity. They may include: the individual's domestic partner and children; children of the individual's domestic partner; and dependents of the individual or the individual's domestic partner.

	2024 Rs.	2023 Rs.
Statement of Financial Position		
Financing and Receivables to Other Customers	228,164,231	49,359,313
Due to Depositors	366,888,326	182,319,824
Statement of Profit or Loss		
Financing Income	2,194,834	2,686,329
Financing Expenses	24,713,565	12,100,930
Scrip Dividend	-	2,838
Cash Dividend	360,000	-

Terms and Conditions of Transactions with Related Parties

The above mentioned outstanding balances arose from the ordinary course of business. The rates charged from/paid to related parties are at normal commercial rates.

46.4 Transaction, Arrangements & Agreements Involving Entities which are Controlled and Jointly controlled by the KMPs or their CFMs.

In addition to transactions with Key Management Personnel and their Close Family Members, the Bank enters into transactions, arrangements and agreements with entities which are controlled and jointly controlled by the KMPs or their CFMs over the Bank. The transactions below were made in the ordinary course of business on substantially the same terms, including financing/commission rates and security, as for comparable transactions with unrelated counterparties. The Bank has not made any provision for impairment losses on amounts owed by related parties.

Statement of Financial Position	2024 Rs.	2023 Rs.
Due to Depositors	39,652	485,495
Statement of Profit or Loss		
Financing Expenses	46,489	10,535,606

47. EVENTS AFTER REPORTING DATE

There were no events after the reporting date which requires adjustments or disclosures in the Financial Statements.

48. CAPITAL

The Bank maintains an actively managed capital base to cover risks inherent in the business and meet the capital requirements of the local prudential regulator, Central Bank of Sri Lanka. The adequacy of the Bank's Capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking Supervision and adopted by the Central Bank of Sri Lanka.

Capital Management

The Bank's capital management objectives can be summarised as follows:

1. Maintain sufficient capital to meet minimum regulatory capital requirements.
2. Hold sufficient capital to support the Bank's risk appetite.
3. Allocate capital to businesses to support the Bank's strategic objectives.
4. Ensure that the Bank maintains capital in order to achieve rating objectives and withstand the impact of potential stress events.

Regulatory Capital

The Bank manages its capital considering regulatory capital requirements. The Central Bank of Sri Lanka (CBSL) sets and monitors Capital Requirements for Licensed Banks in Sri Lanka based on the Basel Framework and local regulations. Thus the Bank's operations are directly supervised by the CBSL and the Bank is required to comply with the provisions of the Basel III framework in respect of Regulatory Capital and capital to cover any additional risk. Commercial banks in Sri Lanka with total assets of less than Rs. 500 billion need to maintain a minimum Common Equity Tier 1 Capital Ratio of 7.00% (2023 - 7.00%) and minimum Total Capital Ratio of 12.50% (2023 - 12.50%) for the year 2024. The Bank has maintained its Capital Ratios well above the regulatory minimum.

The Bank raised over Rs. 6 billion in capital funds to meet CBSL's Enhancement of Minimum Capital requirement of Rs. 20 billion by 31 December 2023.

49. MATERIAL LITIGATION AGAINST THE BANK

In the normal course of business, the Bank has recourse to litigation for purposes of recovery of facilities when there are customers who have not honoured the terms and conditions stipulated in their respective facility documentation and where Parate procedure is not available. On the other hand, there are actions instituted against the Bank as well. In all these cases Bank obtains professional advise and adjustments are made to the Financial Statements, if required.

The Bank is of the opinion that all such litigation which is currently pending will not have a material impact on the Financial Statements reported herein or the assumption of going concern of the Bank.

50. DIVIDENDS

	2024 Rs.	2023 Rs.
Dividends declared - Cash	661,350,895	-
Dividends declared - Scrip	-	334,073,941
Dividend per Ordinary Share	1.20	1.20

During the year, the shareholders unanimously resolved to reduce the existing number of shares by the consolidation of every existing Ten (10) shares in to One (1) share, without a change to the Stated Capital of the Bank whilst leaving unaffected the relative voting and distribution rights. Accordingly, the 2023 Dividend per Ordinary Share has been suitably adjusted for better comparability.

51. SHARE BASED PAYMENT TRANSACTIONS - EMPLOYEE SHARE OPTION PLAN (ESOP)

On 30 March 2023, the Bank obtained approval from its shareholders by way of an Extraordinary General Meeting to establish an Employee Share Option Plan (ESOP). The Bank, in accordance with the approval, will issue ordinary voting shares in 3 tranches up to a maximum of 3% of the pre-ESOP shares, subject to eligible employees exercising such Options and thereby take part in the ownership of the Bank.

Conditions for Grant of Options

The Board would set key performance indicators in respect of each of the performance targets/ratios for financial years ending on 31 December 2022 to 31 December 2024:

- ▲ Operating Profit Before VAT on Financial Services & Social Security Contribution Levy
- ▲ Return on Equity
- ▲ Return on Assets
- ▲ Cost to Income Ratio
- ▲ Total Assets

51. SHARE BASED PAYMENT TRANSACTIONS - EMPLOYEE SHARE OPTION PLAN (ESOP) (CONTD.)

Employees of the Bank have qualified to receive options in the ESOP scheme as follows.

Tranche	Grant Date	Quantum of Options	Exercise Price (*)
1	17-Jun-23	27,839,495	Rs. 2.40
2	25-May-24	27,839,495	Rs. 2.40
Total		55,678,990	

* The exercise price of options in respect of any tranche shall be the volume weighted average price of the Bank's ordinary voting share, during the period of thirty market days immediately prior to the respective grant date for such tranche.

The above mentioned total quantum of options were re-assessed to be 5,567,899 options after the Bank carried out its share consolidation exercise after obtaining shareholders approval in July 2024, where every existing Ten shares were converted in to One share, without a change to the Stated Capital of the Bank whilst leaving unaffected the relative voting and distribution rights.

Sri Lanka Accounting Standard – SLFRS 2 “Share-based Payment” sets out the financial reporting implications for the Bank when it undertakes a share-based payment transaction. The Standard requires the Bank to reflect in its statements of profit or loss and financial position the effects of the share-based payment transaction, including expenses associated with transactions in which share options are granted to employees. The key accounting implications of SLFRS 2 are given below.

Based on the approved Employee Share Option Plan, share options granted to Bank's employees are categorized as an equity-settled share-based payment. Accordingly, the equity settled share-based transaction should be measured at fair value as transactions with employees are measured using a 'grant date model' (i.e. the transaction is recorded at the fair value of the equity instrument at the date when it is originally granted).

The value of the options should be calculated using an option valuation model. SLFRS 2 recommends using either Black-Scholes-Merton model or Binomial Option Valuation model for this purpose. The valuation of the options issued under the Bank's ESOP has been made by using the Binomial model.

51. SHARE BASED PAYMENT TRANSACTIONS - EMPLOYEE SHARE OPTION PLAN (ESOP) (CONTD.)

Fair value of equity-settled share based options awarded to employees on the grant date is recognised as an expense under personnel expenses, with a corresponding increase in equity, over the period in which the service and performance conditions are fulfilled. As per the ESOP scheme, allocated shares are vested immediately at the point of allocating such shares. Hence the cost of ESOP shall be recognized upon the allocation of shares to its employees.

Inputs and assumptions used for the option plan in determining fair value of share option:

	2024 Rs.	2023 Rs.
Price - 17 Jun 2023		Rs. 2.50
- 25 May 2024	Rs. 2.40	
Exercise Price (Prior to Share Consolidation in July 2024)	Rs. 2.40	Rs. 2.40
Closing Price / Adjusted Exercise Price	Rs. 23.00	Rs. 2.30
Expected Volatility	48.96%	48.96%
Option Time Period	5 Years	5 Years

	Number of Options	Weighted Average Exercise Price Rs.
Outstanding as at 1 January 2023	-	-
Granted during the year 2023 (Tranche 1)	27,839,495	2.40
Exercised during the year	-	-
Expired during the year	-	-
Outstanding as at 31 December 2023	27,839,495	2.30
Granted during the year 2024 (Tranche 2)	27,839,495	2.40
Exercised during the year	-	-
Expired during the year	-	-
Shares absorbed due to Share Consolidation	(50,111,091)	
Outstanding as at 31 December 2024	5,567,899	23.00

During the year no share options were exercised. Subject to meeting stipulated conditions, the Board of Directors may grant further options under tranche 3 during 2025 in accordance with the approval obtained from Shareholders.

ESOP Reserve	2024 Rs.	2023 Rs.
Balance as at 1 January	50,978,808	-
Share-Based Payment Expense	27,539,030	50,978,808
Balance as at 31 December	78,517,838	50,978,808

52. SELECTED PERFORMANCE INDICATORS

	31.12.2024	31.12.2023
Regulatory Capital (Rs. '000)		
Common Equity Tier 1 (before applicable adjustments)	21,716,638	20,609,660
Common Equity Tier 1 (after applicable adjustments)	20,414,588	19,324,373
Tier 1 Capital	20,414,588	19,324,373
Total Capital	23,882,001	22,600,754
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (Minimum Requirement 7.0%)	15.0%	16.5%
Tier I Capital Ratio (Minimum Requirement 8.5%)	15.0%	16.5%
Total Capital Ratio (Minimum Requirement 12.5%)	17.6%	19.3%
Leverage Ratio % (Minimum Requirement 3%)	10.6%	11.6%
Regulatory Liquidity Requirement		
Liquidity Coverage Ratio (%) (Minimum Requirement 100%)		
Rupee (%)	368.5%	300.0%
All Currency (%)	252.8%	234.9%
Net Stable Funding Ratio (%) (Minimum Requirement 100%)	129.4%	187.7%
Assets Quality (Quality of Financing and Advance Portfolio)		
Impaired Financing and Advances (Stage 3) Ratio (%)	1.3%	1.5%
Impairment (Stage 3) to Stage 3 Financing and Advances Ratio (%)	59.6%	56.5%
Profitability		
Financing Margin (%)	4.0%	4.3%
Return on Assets (Before Tax) (%)	1.6%	1.5%
Return on Equity (%)	8.0%	7.7%
Cost to Income (%)	53.0%	42.0%
Memorandum Information		
Credit Rating	BBB-(lka) Fitch Ratings	BB+(lka) Fitch Ratings
Number of Employees	899	886
Number of Branches	33	33

CERTIFICATION:

We, the undersigned, being the Managing Director / Chief Executive Officer and the Chief Financial Officer of Amāna Bank PLC jointly certify that:

(a) the above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka;



Mohamed Azmeer
Managing Director/CEO



M. Ali Wahid
Chief Financial Officer

TEN YEARS AT A GLANCE

For the Year ended 31 December	2024 LKR	2023 LKR	2022 LKR
Operating Results			
Financing Income	15,399,562,261	17,238,372,606	12,113,112,544
Financing Expenses	(8,525,272,891)	10,743,449,941	7,344,487,821
Net Financing Income	6,874,289,370	6,494,922,665	4,768,624,723
Net Fee and Commission Income	1,077,337,861	931,310,583	750,312,668
Net Trading Income	693,112,850	1,765,213,774	864,699,138
Net Gains/(Losses) from Financial Investments at Fair Value Through Profit or Loss	38,985,111	15,112,806	(21,646,296)
Net Gains/(Losses) from Derecognition of Financial Assets	(69,917)	982,956	(1,453,173)
Net Other Operating Income	5,989,723	2,982,534	5,159,290
Total Operating Income	8,689,644,998	9,210,525,318	6,365,696,350
Impairment on Financial Assets	(289,612,927)	2,120,743,289	1,638,483,485
Net Operating Income	8,400,032,071	7,089,782,029	4,727,212,865
Personnel Expenses	2,274,493,660	1,975,989,769	1,488,370,644
Depreciation of Property, Plant, Equipment and Right-of-Use Assets	256,903,664	249,465,480	274,607,079
Amortisation of Intangible Assets	64,936,795	58,137,560	51,327,168
Other Operating Expenses	2,012,679,625	1,587,478,916	1,176,643,239
Total Operating Expenses	4,609,013,744	3,871,071,725	2,990,948,130
Operating Profit Before VAT on Financial Services and Other Taxes	3,791,018,327	3,218,710,304	1,736,264,735
VAT on Financial Services and Other Taxes	(1,004,175,003)	906,519,704	528,989,373
Profit Before Tax	2,786,843,324	2,312,190,600	1,207,275,362
Tax Expenses/(Reversal)	(1,012,177,592)	925,414,505	419,098,458
Profit for the Year	1,774,665,732	1,386,776,095	788,176,904

2021 LKR	2020 LKR	2019 LKR	2018 LKR	2017 LKR	2016 LKR	2015 LKR
7,674,186,731	7,211,643,435	7,709,286,294	6,883,221,870	5,544,237,256	4,039,624,179	2,885,931,540
3,418,693,290	3,757,313,167	4,544,370,605	3,522,889,356	2,790,618,052	2,115,335,249	1,405,258,772
4,255,493,441	3,454,330,268	3,164,915,689	3,360,332,514	2,753,619,204	1,924,288,930	1,480,672,768
401,922,403	328,562,743	329,040,746	297,048,806	236,134,326	246,568,285	168,555,950
155,105,107	444,376,037	738,397,355	461,155,830	388,699,264	257,454,611	390,234,591
(7,013,153)	3,260,627	4,862,561	(22,436,152)	-	-	-
(11,732,213)	928,646	11,150,575	1,892,185	-	-	-
5,226,813	2,302,448	8,251,376	6,662,241	9,467,520	4,961,144	27,659,037
4,799,002,398	4,233,760,769	4,256,618,302	4,104,655,424	3,387,920,314	2,433,272,970	2,067,122,346
784,952,089	513,726,961	288,928,583	476,765,687	289,782,674	217,177,926	2,817,355
4,014,050,309	3,720,033,808	3,967,689,719	3,627,889,737	3,098,137,640	2,216,095,044	2,064,304,991
1,399,260,032	1,446,138,333	1,381,445,709	1,246,223,287	1,095,792,424	1,025,032,323	896,614,338
279,632,013	281,177,308	256,195,369	126,685,717	148,879,193	162,620,642	150,818,192
58,685,409	70,374,848	51,025,609	47,939,212	48,967,708	78,634,792	40,881,465
831,827,820	767,727,520	902,349,033	884,804,269	745,933,727	678,729,131	605,026,871
2,569,405,274	2,565,418,009	2,591,015,720	2,305,652,485	2,039,573,052	1,945,016,888	1,693,340,866
1,444,645,035	1,154,615,799	1,376,673,999	1,322,237,252	1,058,564,588	271,078,156	370,964,125
363,632,453	393,167,272	531,825,986	420,038,265	319,245,989	168,266,306	152,248,222
1,081,012,582	761,448,527	844,848,013	902,198,987	739,318,599	102,811,850	218,715,903
256,314,684	297,753,065	383,916,616	345,753,279	236,490,936	62,171,499	60,086,657
824,697,898	463,695,462	460,931,397	556,445,708	502,827,663	40,640,351	158,629,246

Ten Years at a Glance Contd.

As at 31 December	2024 LKR	2023 LKR	2022 LKR
Assets			
Cash and Cash Equivalents	17,070,764,566	11,100,863,400	22,603,294,374
Balance with Central Bank of Sri Lanka	7,078,039,326	9,446,862,668	5,085,679,063
Placements with Banks	38,311,689,750	42,474,569,846	24,570,292,448
Placements with Licensed Finance Companies	507,640,396	80,783	77,154
Derivative Financial Assets	177,460,850	194,267,095	70,733,336
Financial Assets Recognised Through Profit or Loss - Measured at Fair Value	70,216,929	8,994,233	59,561,097
Financial Investments - Held for Trading	-	-	-
Financial Assets at Amortised Cost - Financing and Receivables to Other Customers	111,301,849,020	89,658,059,768	83,185,916,541
Financial Assets Measured at Fair Value through Other Comprehensive Income	348,710,504	319,000,406	332,504,996
Financial Investments - Available for Sale	-	-	-
Other Assets - Financial	2,829,580,181	2,006,908,679	2,323,565,713
Property, Plant, Equipment and Right-of-Use Assets	2,968,026,601	2,775,396,192	2,466,761,457
Intangible Assets	337,562,608	379,309,190	319,253,349
Other Assets - Non Financial	510,950,335	303,033,651	262,467,487
Deferred Tax Assets	824,316,848	784,429,734	407,785,544
Total Assets	182,336,807,914	159,451,775,645	141,687,892,559
Liabilities			
Due to Banks	18,949,309	321,166,526	11,856,722,935
Derivative Financial Liabilities	22,856,743	947,739	20,880,000
Financial Liabilities at Amortised Cost - Due to Depositors	154,405,710,056	132,937,607,047	112,546,017,229
Other Liabilities - Financial	4,099,974,790	3,391,138,093	2,041,967,432
Current Tax Liabilities	473,465,041	722,144,473	645,606,465
Dividend Payable	99,470,636	6,325,683	6,351,708
Deferred Tax Liability	-	-	-
Retirement Benefit Liability	186,730,809	130,416,033	109,411,635
Other Liabilities - Non Financial	187,790,136	245,445,827	99,580,091
Total Liabilities	159,494,947,520	137,755,191,421	127,326,537,495
Shareholders' Funds			
Stated Capital	17,633,461,196	17,633,461,196	11,348,821,130
Reserves	5,208,399,198	4,063,123,028	3,012,533,934
Total Equity	22,841,860,394	21,696,584,224	14,361,355,064
Total Liabilities and Shareholders' Funds	182,336,807,914	159,451,775,645	141,687,892,559
Commitments and Contingencies	49,602,674,611	40,739,750,181	34,094,313,300
Share Information			
Earnings per Share	3.22	2.52	0.28
Net Assets Value per Share	41.45	39.37 *	5.16
Gross Dividend Paid (Cash/Scrip)	661,350,895	334,073,941	269,115,119
Dividend per Share	1.20	1.20 *	0.10
Dividend Pay Out Ratio (%)	37.27	24.09	34.14

* During the year, the Bank consolidated its shares in the ratio of every existing Ten (10) shares in to One (1) share. In view of this, the Net Asset Value per Share and Dividend Per Share for 2023, has been suitably adjusted for better comparability.

2021 LKR	2020 LKR	2019 LKR	2018 LKR	2017 LKR	2016 LKR	2015 LKR
8,673,811,858	6,859,970,358	10,067,003,265	5,338,090,636	5,859,766,950	5,686,924,056	5,016,458,817
4,800,026,593	11,410,470,563	3,448,797,331	3,543,444,781	4,127,811,572	2,816,770,223	2,292,887,937
27,302,269,408	11,580,356,721	10,625,183,324	9,264,699,249	5,285,796,238	4,662,466,350	3,624,928,993
73,341	3,108,069,281	12,053,159	2,427,970,097	2,112,166,496	20,517	954,528,071
510,066,210	228,515,144	226,091,973	445,732,740	127,616,662	59,483,044	61,037,310
64,634,084	55,921,805	72,789,000	113,249,108	-	-	-
-	-	-	-	41,645,557	45,181,589	59,474,357
75,816,397,323	62,566,964,280	57,716,960,999	52,853,663,356	42,914,143,571	38,451,662,449	33,073,596,195
346,009,586	291,991,226	146,141,654	186,655,424	-	-	-
-	-	-	-	323,264,501	394,775,149	432,056,080
1,213,996,086	1,048,477,201	888,380,624	585,704,833	388,890,295	307,321,725	315,749,183
2,447,149,785	2,354,607,910	2,505,901,129	1,890,194,155	1,795,135,517	1,247,590,879	1,271,732,452
232,834,506	257,240,323	237,074,723	238,311,383	230,675,871	269,376,298	236,502,947
449,563,025	409,782,983	633,193,251	382,051,706	333,169,325	227,058,761	257,216,898
52,071,523	-	-	-	-	146,355,559	145,702,993
121,908,903,328	100,172,367,795	86,579,570,432	77,269,767,468	63,540,082,555	54,314,986,599	47,741,872,233
9,009,986,183	1,967,893,100	1,103,040,822	1,210,204,847	-	751,963,513	2,955,277,882
783,199,782	111,881,845	56,478,657	1,441,005,622	29,924,292	98,341,433	67,405,185
96,157,776,116	83,554,240,988	71,614,753,475	61,722,682,595	50,922,561,081	46,915,289,690	38,467,460,755
1,696,126,980	1,287,362,598	1,110,537,746	480,628,881	680,470,646	566,565,119	341,597,683
419,795,391	420,490,984	402,511,650	330,606,614	187,075,365	80,814,263	58,684,717
6,459,073	6,526,286	6,891,441	3,562,069			
-	70,265,535	194,314,961	221,536,935	216,241,918	-	-
131,081,167	170,664,374	144,987,628	127,517,726	119,241,024	82,606,302	74,070,679
65,944,501	115,763,735	92,486,021	97,921,864	70,765,834	31,360,761	54,378,732
108,270,369,193	87,705,089,445	74,726,002,401	65,635,667,153	52,226,280,160	48,526,941,081	42,018,875,633
11,079,706,011	10,819,561,398	10,619,450,156	10,619,450,156	10,619,450,156	5,866,808,141	5,866,808,141
2,558,828,124	1,647,716,952	1,234,117,875	1,014,650,159	694,352,239	(78,762,623)	(143,811,541)
13,638,534,135	12,467,278,350	11,853,568,031	11,634,100,315	11,313,802,395	5,788,045,518	5,722,996,600
121,908,903,328	100,172,367,795	86,579,570,432	77,269,767,468	63,540,082,555	54,314,986,599	47,741,872,233
67,801,327,449	65,337,219,792	54,012,976,973	46,485,430,714	27,813,190,776	26,191,124,490	18,272,602,735
0.28	0.17	0.18	0.22	0.29	0.03	0.13
5.07	4.79	4.74	4.65	4.52	4.63	4.58
260,144,613	200,111,242	200,111,243	175,097,337	-	-	-
0.10	0.08	0.08	0.07	-	-	-
31.54	43.15	43.41	31.46	-	-	-

COMPLIANCE WITH DISCLOSURE REQUIREMENTS OF CENTRAL BANK OF SRI LANKA

The following explains the Disclosure Requirements under the prescribed format issued by the Central Bank of Sri Lanka for the Preparation of Annual Financial Statements of Licensed Commercial Banks.

1. INFORMATION ABOUT THE SIGNIFICANCE OF FINANCIAL INSTRUMENTS FOR FINANCIAL POSITION AND PERFORMANCE		
1.1	Statement of Financial Position	
1.1.1	Disclosures on categories of financial assets and financial liabilities.	Note 16 to the Financial Statements - Analysis of Financial Instruments by Measurement Basis.
1.1.2	Other Disclosures	
	(i) Special disclosures about financial assets and financial liabilities designated to be measured at Fair value through profit or loss, including disclosures about credit risk and market risk, changes in fair values attributable to these risks and the methods of measurement.	Note 42 to the Financial Statements - Fair Value of Financial Assets and Liabilities.
	(ii) Reclassifications of financial instruments from one category to another.	Not Applicable.
	(iii) Information about financial assets pledged as collateral and about financial or non-financial assets held as collateral.	Not Applicable.
	(iv) Reconciliation of the impairment allowance account for credit losses by class of financial assets.	Note 17.2 to the Financial Statements - Impairment Allowance for Balances with Banks Note 19.1 to the Financial Statements - Impairment Allowance for Placements with Banks Note 20.1 to the Financial Statements - Impairment Allowance for Licensed Finance Companies Note 23.4 to the Financial Statements - Impairment Allowance for Financing and Receivables to Other Customers.
	(v) Information about compound financial instruments with multiple embedded derivatives.	Not Applicable.
	(vi) Breaches of terms of financing agreements.	None.
1.2	Statement of Comprehensive Income	
1.2.1	Disclosures on items of income, expense, gains and losses.	Notes 4 - 14 to the Financial Statements.
1.2.2	Other Disclosures	
	(i) Total financing income and total financing expense for those financial instruments that are not measured at fair value through profit and loss.	Notes 4 and 5 to the Financial Statements - Financing Income and Financing Expenses respectively.
	(ii) Fee income and expense.	Note 6 to the Financial Statements - Net Fee and Commission Income.
	(iii) Amount of impairment losses by class of financial assets.	Note 11 to the Financial Statements - Impairment on Financial Assets.
	(iv) Financing income on impaired financial assets.	Note 4 to the Financial Statements - Financing Income.

1.3	Other Disclosures	
1.3.1	Accounting policies for financial instruments.	Note 2.3 to the Financial Statements - Summary of Significant Accounting Policies.
1.3.2	Financial liabilities designated as at FVTPL	
	(i) If a bank is presenting the effects of changes in that financial liability's credit risk in other comprehensive income (OCI):	
	➤ any transfers of the cumulative gain/loss within equity during the period, including the reasons for the transfers; ➤ if the liability is derecognised during the period, then the amount (if any) presented in OCI that was realised at derecognition; ➤ detailed description of the methodologies used to determine whether presenting the effects of changes in a liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss; and	Not Applicable.
	(ii) Detailed description, if the effects of changes in a liability's credit risk are presented in profit or loss.	
1.3.3	Investments in equity instruments designated as at FVOCI	
	(i) Details of equity instruments that have been designated as at FVOCI and the reasons for the designation;	Notes 2.3.3 d (iii) and 24 to the Financial Statements - Financial Assets Measured at Fair Value Through Other Comprehensive Income and Financial Assets Measured at Fair Value Through Other Comprehensive Income respectively.
	(ii) Fair value of each investment at the reporting date;	Note 24 to the Financial Statements - Financial Assets Measured at Fair Value Through Other Comprehensive Income.
	(iii) Dividends recognised during the period, separately for investments derecognised during the reporting period and those held at the reporting date;	Not Applicable.
	(iv) Any transfers of the cumulative gain or loss within equity during the period and the reasons for those transfers;	Not Applicable.
	(v) If investments in equity instruments measured at FVOCI are derecognised during the reporting period,	
	➤ reasons for disposing of the investments; ➤ fair value of the investments at the date of derecognition; and ➤ the cumulative gain or loss on disposal.	Not Applicable.
1.3.4	Reclassifications of financial assets	
	(i) For all reclassifications of financial assets in the current or previous reporting period:	
	➤ date of reclassification; ➤ detailed explanation of the change in the business model and a qualitative description of its effect on the financial statements; and ➤ the amount reclassified into and out of each category.	Not Applicable.

Compliance with Disclosure Requirements of Central Bank of Sri Lanka Contd.

	(ii) For reclassifications from FVTPL to amortised cost or FVOCI:	
	- the effective profit rate (EPR) determined on the date of reclassification; and - the financing income recognised.	Not Applicable.
	(iii) For reclassifications from FVOCI to amortised cost, or from FVTPL to amortised cost or FVOCI:	
	- the fair value of the financial assets at the reporting date; and - the fair value gain or loss that would have been recognised in profit or loss or OCI during the reporting period if the financial assets had not been reclassified.	Not Applicable.
1.3.5	Information on hedge accounting	Not Applicable.
1.3.6	Information about the fair values of each class of financial asset and financial liability, along with:	
	(i) Comparable carrying amounts.	
	(ii) Description of how fair value was determined.	
	(iii) The level of inputs used in determining fair value.	Note 42 to the Financial Statements - Fair Value of Financial Assets and Liabilities.
	(iv) (a) Reconciliations of movements between levels of fair value measurement hierarchy.	Not Applicable
	(b) Additional disclosures for financial instruments that fair value is determined using level 3 inputs.	Note 42 to the Financial Statements - Fair Value of Financial Assets and Liabilities.
	(v) Information if fair value cannot be reliably measured.	Note 24.2 to the Financial Statements - Investment in Equity – Unquoted and Note 42.2 to the Financial Statements - Financial Instruments Not Carried at Fair Value.
2.	Information about the Nature and Extent of Risks Arising from Financial Instruments	
2.1	Qualitative Disclosures	
2.1.1	Risk exposures for each type of financial instrument.	Note 43 to the Financial Statements - Risk Management.
2.1.2	Management's objectives, policies, and processes for managing those risks.	Note 43 to the Financial Statements - Risk Management, and please refer section relating to 'Risk Management' in the Annual Report for additional information.
2.1.3	Changes from the prior period.	Not Applicable.
2.2	Quantitative Disclosures	
2.2.1	Summary of quantitative data about exposure to each risk at the reporting date.	Note 43 to the Financial Statements - Risk Management.
2.2.2	Disclosures about credit risk, liquidity risk, market risk, operational risk, rate risk and how these risks are managed.	Note 43 to the Financial Statements - Risk Management and please refer section relating to 'Risk Management' in the Annual Report for additional information.
	(i) Credit Risk	

(a) Maximum amount of exposure (before deducting the value of collateral), description of collateral, information about credit quality of financial assets that are neither past due nor impaired and information about credit quality of financial assets.	Note 43.2 to the Financial Statements - Credit Risk and Note 2.2 c. to the Financial Statements - Impairment Losses on Financing and Receivables to Other Customers.
(b) For financial assets that are past due or impaired, disclosures on age, factors considered in determining as impaired and the description of collateral on each class of financial asset	Note 43.2 to the Financial Statements - Credit Risk.
(c) Information about collateral or other credit enhancements obtained or called.	Note 43 to the Financial Statements - Risk Management and please refer section relating to 'Risk Management' in the Annual Report for additional Information.
(d) Credit risk management practices:	
Information about credit risk management practices and how they relate to the recognition and measurement of expected credit losses (ECL), including the methods, assumptions and information used to measure ECL.	Note 2.3.3 d. (v) to the Financial Statements - Impairment of Financial Assets.
Quantitative and qualitative information to evaluate the amounts in the financial statements arising from ECL, including changes and the reasons for those changes.	Note 2.3.3 d. (v), Note 2.3.3 e. (ii) and Note 11 to the Financial Statements - Impairment of Financial Assets, Impairment Charges on Financing and Receivables and Impairment of Financial Assets respectively.
- How the Bank determines whether the credit risk of financial instruments has increased significantly since initial recognition, including whether and how financial instruments are considered to have low credit risk, including the classes of financial instruments to which the low credit risk exception has been applied; and the presumption that financial assets with contractual payments more than 30 days past due have a significant increase in credit risk has been rebutted; - The Bank's definitions of default for different financial instruments, including the reasons for selecting those definitions; - How instruments are grouped if ECL are measured on a collective basis; - How the Bank determines that financial assets are credit-impaired; - The Bank's write-off policy, including the indicators that there is no reasonable expectation of recovery; and - How the modification requirements have been applied, including how the Bank determines whether the credit risk of a financial asset that has been modified while subject to a lifetime ECL allowance has improved to the extent that the loss allowance reverts to being measured at an amount equal to 12-month ECL and monitors the extent to which the loss allowance on those assets subsequently reverts to being measured at an amount equal to lifetime ECL.	Note 2.2 c., 2.3.3 d. (v) and Note 2.3.3 e. (ii) to the Financial Statements - Impairment Losses on Financing and Receivables to Other Customers, Impairment of Financial Assets and Impairment Charges on Financing and Receivables respectively.

Compliance with Disclosure Requirements of Central Bank of Sri Lanka Contd.

(e) ECL calculations	
▲ Basis of the inputs, assumptions and the estimation techniques used when,	
• estimating 12-month and lifetime ECL; • determining whether the credit risk of financial instruments has increased significantly since initial recognition; and • determining whether financial assets are credit-impaired.	Note 2.3.3 d. (v) and Note 2.3.3 e. (ii) to the Financial Statements – Impairment of Financial Assets and Impairment Charges on Financing and Receivables respectively.
▲ How forward-looking information has been incorporated into the determination of ECL, including the use of macro-economic information; and	
▲ changes in estimation techniques or significant assumptions made during the reporting period and the reasons for those changes.	Note 2.3.3 d. (v) and Note 2.3.3 e. (ii) to the Financial Statements – Impairment of Financial Assets and Impairment Charges on Financing and Receivables respectively.
(f) Amounts arising from ECL	
▲ Provide reconciliation for each class of financial instrument [Financial assets measured at AC, Financial assets mandatorily measured at FVOCI, financing commitments when there is an obligation to extend credit (except those measured at Fair Value through Profit or Loss), Financial guarantee contracts (except those measured at Fair Value through Profit or Loss), Lease receivables within the scope of LKAS 17: Leases, Contract assets within the scope of SLFRS 15: Revenue from contracts with customers etc...] of the opening balance to the closing balance of the impairment loss allowance.	Note 17.2 to the Financial Statements – Impairment Allowance for Balances with Banks, Note 19.1 to the Financial Statements – Impairment Allowance for Placements with Banks, Note 20.1 to the Financial Statements – Impairment Allowance for Licensed Finance Companies, Note 23.4 to the Financial Statements - Impairment Allowance for Financing and Receivables to Other Customers, and Note 45.2.2 to the Financial Statements - Impairment Allowance for Commitment and Contingencies.
▲ Explain the reasons for changes in the loss allowances in the reconciliation.	Due to the specific credit risks in each of the asset class. Please also refer Note 11 to the Financial Statements - Impairment on Financial Assets, for additional information.
(g) Collaterals	
▲ Amount that best represents the Bank's maximum exposure to credit risk at the reporting date, without taking account of any collateral held or other credit enhancements;	Note 43.2 (f) to the Financial Statements – Analysis of Maximum Exposure to Credit risk and Collateral and Other Credit Enhancements.
▲ Narrative description of collateral held as security and other credit enhancements (except for lease receivables), including:	
• discussion on the nature and quality of the collaterals held;	Note 2.2 c. to the Financial Statements - Impairment Losses on Financing and Receivables to Other Customers and please refer section relating to 'Risk Management' in the Annual Report for additional Information.
• explanation of any significant changes in quality as a result of a deterioration or changes in the Bank's collateral policies during the reporting period;	

▲ information about financial instruments for which the Bank has not recognised a loss allowance because of the collateral;	None.
▲ quantitative information about the collateral held as security and other credit enhancements;	Note 43.2 (f) to the Financial Statements - Analysis of Maximum Exposure to Credit risk and Collateral and Other Credit Enhancements.
▲ information about the fair value of the collateral and other credit enhancements, or to quantify the exact value of the collateral that was included in the calculation of ECL.	Note 2.2 c. to the Financial Statements - Impairment Losses on Financing and Receivables to Other Customers and please refer section relating to 'Risk Management' in the Annual Report for additional Information.
(h) Written-off assets	
▲ Contractual amount outstanding of financial assets written off during the reporting period that are still subject to enforcement activity.	Note 23.4 to the Financial Statements - Impairment Allowance for Financing and Receivables to Other Customers.
(i) For other disclosures, refer Pillar III disclosures of the Banking Act Directions No. 01 of 2016 on Capital Requirements under Basel III for Licensed Banks.	Please refer section on Market Discipline Disclosure Requirements on pages 326 to 337 and section relating to 'Risk Management' in the Annual Report for additional information.
(ii) Liquidity Risk	
(a) A maturity analysis of financial assets and liabilities.	Note 43.3 to the Financial Statements - Liquidity Risk and Funding Management and please refer section relating to 'Risk Management' in the Annual Report.
(b) Description of approach to risk management.	Note 43.3 to the Financial Statements - Liquidity Risk and Funding Management and please refer section relating to 'Risk Management' in the Annual Report for additional information.
(c) For other disclosures, refer Pillar III disclosures of the Banking Act Directions No. 01 of 2016 on Capital Requirements under Basel III for Licensed Banks.	Please refer section on Market Discipline Disclosure Requirements on pages 326 to 337 and section relating to 'Risk Management' in the Annual Report for additional information.
(iii) Market Risk	
(a) A sensitivity analysis of each type of market risk to which the Bank is exposed.	Note 43.4 to the Financial Statements - Market Risk and please refer section relating to 'Risk Management' in the Annual Report for additional information.
(b) Additional information, if the sensitivity analysis is not representative of the Bank's risk exposure.	Not Applicable.
(c) For other disclosures, refer Pillar III disclosures of the Banking Act Directions No. 01 of 2016 on Capital Requirements under Basel III for Licensed Banks.	Please refer section on Market Discipline Disclosure Requirements on pages 326 to 337 and section relating to 'Risk Management' in the Annual Report for additional information.
(iv) Operational Risk	
For other disclosures, refer Pillar III disclosures of the Banking Act Directions No. 01 of 2016 on Capital Requirements under Basel III for Licensed Banks.	Please refer section on Market Discipline Disclosure Requirements on pages 326 to 337 and section relating to 'Risk Management' in the Annual Report for additional information.
(v) Equity Risk in the Banking Book	

Compliance with Disclosure Requirements of Central Bank of Sri Lanka Contd.

(a) Qualitative Disclosures	
▲ Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons.	Note 43.7 to the Financial Statements - Equity Price Risk and please refer section relating to 'Risk Management' in the Annual Report
▲ Discussion of important policies covering the valuation and accounting of equity holdings in the banking book.	Note 2.3 to the Financial Statements - Summary of Significant Accounting Policies and Note 24.2 to the Financial Statements - Investment in Equity – Unquoted.
(b) Quantitative Disclosures	
Value disclosed in the statement of financial position of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value, the types and the nature of investments and the cumulative realised gains/(losses) arising from sales and liquidations in the reporting period.	Notes 22 and 24 to the Financial Statements - Financial Assets Recognised Through Profit or Loss – Measured at Fair Value and Financial Assets Measured at Fair Value Through Other Comprehensive Income, respectively. Also please refer Notes 8 and 9 to the Financial Statements - Net Gains / (Losses) from Financial Assets at Fair Value Through Profit or Loss and Net Gains / (Losses) from Derecognition of Financial Assets, respectively.
(vi) Rate Risk in the Banking Book	
(a) Qualitative Disclosures	
Nature of Rate Risk in the Banking Book and key assumptions.	Notes 43.4, 43.5, 43.6 and 43.7 to the Financial Statements - Market Risk, Foreign Exchange Risk, Currency Risk and Equity Price Risk respectively. You may also refer the section relating to 'Risk Management' in the Annual Report for additional information.
(b) Quantitative Disclosures	
The increase/(decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring rate risk in the banking book broken down by currency (as relevant)	
2.2.3 Information on concentrations of risk	Note 43 to the Financial Statements – Risk Management. Also please refer section relating to 'Risk Management' in the Annual Report for additional information.

3. Market DISCIPLINE Disclosure REQUIREMENTS		
3.1	Regulatory Requirements on Capital and Liquidity	
	(i) Key Regulatory Ratios - Capital and Liquidity	Please refer page 326
	(ii) Basel III Computation of Capital Ratios	Please refer page 327
	(iii) Computation of Leverage Ratio	Please refer page 328
	(iv) Basel III Computation of Liquidity Coverage Ratio	Please refer page 328
	(v) Main Features of Regulatory Capital Instruments	Please refer page 329
3.2	Risk Weighted Assets (RWA)	
	(i) Summary Discussion on Adequacy/Meeting Current and Future Capital Requirements	Please refer page 329 including Note 48 to the Financial Statements - Capital and section relating to 'Risk Management' in the Annual Report for additional information
	(ii) Credit Risk under Standardised Approach: Credit Risk Exposures and Credit Risk Mitigation (CRM) Effects	Please refer page 330
	(iii) Credit Risk under Standardised Approach: Exposures by Asset Classes and Risk Weights	Please refer page 331
	(iv) Market Risk under Standardised Measurement Method	Please refer page 331
	(v) Operational Risk under Basic Indicator Approach/The Standardised Approach/The Alternative Standardised Approach	Please refer page 332
3.3	Linkages Between Financial Statements & Regulatory Exposures	
	(i) Differences between Accounting and Regulatory Scopes and Mapping of Financial Statement Categories with Regulatory Risk Categories – Bank Only	Please refer page 333
	(ii) Explanations of Differences between Accounting & Regulatory Exposure Amounts	Please refer page 334 and also section relating to 'Risk Management' in the Annual Report for additional information
3.4	Risk Management	
	(i) Bank Risk Management Approach	Please refer section relating to 'Risk Management' of the Annual Report and Note 43 to the Financial Statements - Risk Management
	(ii) Risk Management related to Key Risk Exposures	Please refer section relating to 'Risk Management' of the Annual Report and Note 43 to the Financial Statements - Risk Management

MARKET DISCIPLINE DISCLOSURE REQUIREMENTS

KEY REGULATORY RATIOS - CAPITAL AND LIQUIDITY

As at 31 December	2024	2023
Regulatory Capital (LKR '000)		
Common Equity Tier 1	20,414,588	19,324,373
Tier 1 Capital	20,414,588	19,324,373
Total Capital	23,882,001	22,600,754
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (Minimum Requirement - 7.0%)	15.0%	16.5%
Tier 1 Capital Ratio (Minimum Requirement - 8.5%)	15.0%	16.5%
Total Capital Ratio (Minimum Requirement - 12.5%)	17.6%	19.3%
Leverage Ratio (Minimum Requirement - 3%)	11.6%	
Regulatory Liquidity		
Statutory Liquid Assets (LKR '000) - Domestic Banking Unit	N/A	35,743,999
Statutory Liquid Assets (USD '000) - Offshore Banking Unit	N/A	1,581
Statutory Liquid Assets Ratio (Minimum Requirement - 20%)		
Domestic Banking Unit (%)	N/A	38.6%
Offshore Banking Unit (%)	N/A	29.9%
Liquidity Coverage Ratio (%) – Rupee (Min Requirement - 100%)	368.5%	300.0%
Liquidity Coverage Ratio (%) – All Currency (Min Requirement - 100%)	252.8%	234.9%

BASEL III COMPUTATION OF CAPITAL RATIOS

As at 31 December	2024	2023
Common Equity Tier 1 (CET1) Capital after Adjustments	20,414,588	19,324,373
Common Equity Tier 1 (CET1) Capital before Adjustments	21,716,638	20,609,660
Equity Capital (Stated Capital)/Assigned Capital	17,633,461	17,633,461
Reserve Fund	355,174	266,441
Published Retained Earnings/(Accumulated Retained Losses)	3,667,043	2,666,625
Published Accumulated Other Comprehensive Income (OCI)	60,959	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	1,302,050	1,285,287
Goodwill (net)	-	-
Intangible Assets (net)	337,563	379,309
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)	964,487	905,978
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	3,467,413	3,276,381
Tier 2 Capital	3,467,413	3,276,381
Qualifying Tier 2 Capital Instruments	-	-
Revaluation Gains	707,723	707,723
Provisions on Financing and Advances	2,759,690	2,568,658
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	20,414,588	19,324,373
Total Tier 1 Capital	20,414,588	19,324,373
Total Capital	23,882,001	22,600,754
Total Risk Weighted Assets (RWA)	135,942,364	116,904,980
RWAs for Credit Risk	120,668,783	107,889,044
RWAs for Market Risk	257,124	872,632
RWAs for Operational Risk	15,016,456	8,143,304
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	15.02%	16.53%
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 (%)	15.02%	16.53%
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	17.57%	19.33%
of which: Capital Conservation Buffer (%)	2.500%	2.500%
of which: Countercyclical Buffer (%)	-	-
of which: Capital Surcharge on D-SIBs (%)	-	-

Market Discipline Disclosure Requirements Contd.

COMPUTATION OF LEVERAGE RATIO

As at 31 December	2024 LKR '000	2023 LKR '000
Tier 1 Capital	20,414,588	19,324,373
Total Exposures	192,329,888	166,966,144
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	180,857,297	157,972,222
Derivative Exposures	-	-
Securities Financing Transaction Exposures	-	-
Other Off-Balance Sheet Exposures	11,472,591	8,993,922
Basel III Leverage Ratio (%) (Tier 1/Total Exposure)	10.61%	11.57%

BASEL III COMPUTATION OF LIQUIDITY COVERAGE RATIO

As at 31 December	2024		2023	
	Total Un-weighted Value LKR '000	Total Weighted Value LKR '000	Total Un-weighted Value LKR '000	Total Weighted Value LKR '000
Total Stock of High-Quality Liquid Assets (HQLA)	17,191,338	17,156,230	13,935,626	13,935,626
Total Adjusted Level 1A Assets	17,121,121	17,121,121	13,926,631	13,926,631
Level 1 Assets	17,121,121	17,121,121	13,926,631	13,926,631
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	-	-	-	-
Level 2B Assets	70,217	35,108	8,994	4,497
Total Cash Outflows	179,299,884	27,148,446	152,348,505	23,724,428
Deposits	128,033,631	12,803,363	109,639,426	10,963,943
Unsecured Wholesale Funding	25,890,258	12,639,370	22,253,265	11,153,739
Secured Funding Transactions	-	-	-	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	25,367,975	1,697,693	20,455,814	1,606,746
Additional Requirements	8,020	8,020	-	-
Total Cash Inflows	65,670,219	36,467,122	73,688,589	44,531,086
Maturing Secured Lending Transactions Backed by Collateral	10,555,484	10,555,484	10,366,897	10,366,897
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30 Days	28,900,945	24,810,514	38,220,664	32,673,305
Operational Deposits	24,011,542	-	22,119,260	-
Other Cash Inflows	2,202,248	1,101,124	2,981,768	1,490,884
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/ Total Net Cash Outflows over the Next 30 Calendar Days) * 100		252.78		234.88

MAIN FEATURES OF REGULATORY CAPITAL INSTRUMENTS

Description of the Capital Instrument	Ordinary Shares
Issuer	Amāna Bank PLC
CSE Security Code	ABL.N0000
Original Date of Issuance	Multiple
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 December 2024)	21,716,638
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

SUMMARY DISCUSSION ON ADEQUACY/MEETING CURRENT AND FUTURE CAPITAL REQUIREMENTS

Please refer Note 48 to the Financial Statements - Capital and section relating to 'Risk Management' in the Annual Report on pages 206 to 231.

Market Discipline Disclosure Requirements Contd.

CREDIT RISK UNDER STANDARDISED APPROACH – CREDIT RISK EXPOSURES AND CREDIT RISK MITIGATION (CRM) EFFECTS

As at 31 December 2024	Exposures before Credit Conversion Factor (CCF) and CRM		Exposures Post CCF and CRM		RWA and RWA Density	
	On-Balance Sheet Amount LKR '000	Off-Balance Sheet Amount LKR '000	On-Balance Sheet Amount LKR '000	Off-Balance Sheet Amount LKR '000	RWA LKR '000	RWA Density %
Claims on Central Government and CBSL	7,133,327	-	7,133,327	-	-	0%
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-
Claims on Public Sector Entities	-	-	-	-	-	-
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	44,125,327	11,427,000	44,125,327	228,540	9,553,585	22%
Claims on Financial Institutions	557,698	1,290,819	557,698	56,258	360,136	0%
Claims on Corporates	46,230,651	19,058,984	46,002,756	5,468,252	51,471,007	100%
Retail Claims	57,225,131	13,504,409	56,574,196	5,175,572	43,102,931	70%
Claims Secured by Residential Property	6,260,312	-	6,260,311	-	5,224,272	83%
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non-Performing Assets (NPAs)	1,585,756	169,675	1,585,755	33,935	1,672,582	103%
Higher-risk Categories	205,548	-	205,548	-	513,869	250%
Cash Items and Other Assets	17,617,935	794,832	17,617,935	794,832	8,770,401	48%
Total	180,941,685	46,245,719	180,062,853	11,757,389	120,668,783	63%

Notes:

- (i) As per Banking Act Directions on Classification of Financing and Receivables to Other Customers, Income Recognition and Provisioning
- (ii) RWA Density - Total RWA/Exposures Post CCF and CRM.

CREDIT RISK UNDER STANDARDISED APPROACH: EXPOSURES BY ASSET CLASSES AND RISK WEIGHTS

As at 31 December 2024		Post CCF & CRM								Total Credit Exposures Amount LKR '000
Risk Weight	Asset Classes	0% LKR '000	20% LKR '000	50% LKR '000	60% LKR '000	75% LKR '000	100% LKR '000	150% LKR '000	>150% LKR '000	
	Claims on Central Government and Central Bank of Sri Lanka	7,133,327	-	-	-	-	-	-	-	7,133,327
	Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-	-	-	-
	Claims on Public Sector Entities	-	-	-	-	-	-	-	-	-
	Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-	-	-	-
	Claims on Banks Exposures	-	43,130,477	591,803	-	-	631,588	-	-	44,353,867
	Claims on Financial Institutions	-	-	-	-	-	557,699	-	-	557,699
	Claims on Corporates	-	-	-	-	-	51,471,008	-	-	51,471,008
	Retail Claims	11,561,672	-	-	3,485,678	22,763,573	23,938,844	-	-	61,749,767
	Claims Secured by Residential Property	-	-	1,593,906	-	-	4,666,405	-	-	6,260,311
	Claims Secured by Commercial Real Estate	-	-	-	-	-	-	-	-	-
	Non-Performing Assets (NPAs)	-	-	149,741	-	-	1,214,424	255,525	-	1,619,690
	Higher-risk Categories	-	-	-	-	-	-	-	205,548	205,548
	Cash Items and Other Assets	3,183,684	8,073,353	-	-	-	7,155,730	-	-	18,412,767
	Total	21,878,683	51,203,830	2,335,450	3,485,678	22,763,573	89,635,698	255,525	205,548	191,763,984

MARKET RISK UNDER STANDARDISED MEASUREMENT METHOD

As at 31 December 2024	RWA Amount LKR '000
(a) RWA for Rate Risk	-
General Rate Risk	-
(i) Net Long or Short Position	-
(ii) Horizontal Disallowance	-
(iii) Vertical Disallowance	-
(iv) Options	-
Specific Rate Risk	-
(b) RWA for Equity	17,556
(i) General Equity Risk	8,778
(ii) Specific Equity Risk	8,778
(c) RWA for Foreign Exchange & Gold	14,585
Capital Charge for Market Risk [(a) + (b) + (c)] * CAR	257,124

Market Discipline Disclosure Requirements Contd.

OPERATIONAL RISK UNDER BASIC INDICATOR APPROACH / THE STANDARDISED APPROACH / THE ALTERNATIVE STANDARDISED APPROACH

As at 31 December 2024	Capital Charge Factor	Fixed Factor	Gross Income		
			1st Year LKR '000	2nd Year LKR '000	3rd Year LKR '000
The Basic Indicator Approach	15%		6,365,065	9,210,428	21,965,640
The Standardised Approach					
Corporate Finance	18%		} Not Applicable		
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%		} Not Applicable		
Trading and Sales	18%				
Payment and Settlement	18%				
Agency Services	15%				
Asset Management	12%				
Retail Brokerage	12%				
Retail Banking	12%	0.035			
Commercial Banking	15%	0.035			
Capital Charges for Operational Risk (LKR'000)					
The Basic Indicator Approach					
The Standardised Approach			} Not Applicable		
The Alternative Standardised Approach					
Risk Weighted Amount for Operational Risk (LKR'000)					
The Basic Indicator Approach					
The Standardised Approach			} Not Applicable		
The Alternative Standardised Approach					

DIFFERENCES BETWEEN ACCOUNTING AND REGULATORY SCOPES AND MAPPING OF FINANCIAL STATEMENT CATEGORIES WITH REGULATORY RISK CATEGORIES – BANK ONLY

As at 31 December 2024	Explanation Reference #	a Carrying Values as Reported in Published Financial Statements LKR '000	b Carrying Values as under Scope of Regulatory Reporting LKR '000	c Subject to Credit Risk Framework LKR '000	d Subject to Market Risk Framework LKR '000	e Not Subject to Capital Requirements or Subject to Deduction From Capital LKR '000
Assets		182,336,809	182,336,808	180,062,853	70,217	4,061,740
Cash and Cash Equivalents	1	17,070,765	11,257,037	11,257,037	-	-
Balances with Central Bank		7,078,039	7,078,039	7,078,039	-	-
Placements with Banks & Financial Institutions	1	38,819,330	44,310,081	44,310,081	-	-
Derivative Financial Instruments		177,461	177,461	177,461	-	-
Other Financial Assets Held-For-Trading		-	-	-	-	-
Financial Assets Designated at Fair Value through Profit or Loss		70,217	70,217	-	70,217	-
Financing and Receivables to Banks		-	-	-	-	-
Financing and Receivables to Other Customers		111,301,849	111,301,849	108,542,159	-	2,759,690
Financial Assets Measured at Fair Value through Other Comprehensive Income		348,711	348,711	208,540	-	140,170
Investments in Subsidiaries		-	-	-	-	-
Investments in Associates and Joint Ventures		-	-	-	-	-
Property, Plant and Equipment		2,968,027	2,968,027	2,968,027	-	-
Investment Properties		-	-	-	-	-
Goodwill and Intangible Assets		337,563	337,563	-	-	337,563
Deferred Tax Assets		824,317	824,317	-	-	824,317
Other Assets		3,340,530	3,663,507	5,521,509	-	-
Liabilities		159,494,948	159,494,948	-	-	-
Due to Banks	2	18,949	12,088	-	-	-
Derivative Financial Instruments		22,857	22,857	-	-	-
Other Financial Liabilities Held-For-Trading		-	-	-	-	-
Financial Liabilities Designated at Fair Value Through Profit or Loss		-	-	-	-	-
Due to Other Customers	2	154,405,710	153,228,716	-	-	-
Other Borrowings		-	-	-	-	-
Debt Securities Issued		-	-	-	-	-
Current Tax Liabilities	2	473,465	473,465	-	-	-
Deferred Tax Liabilities		-	-	-	-	-
Other Provisions		-	-	-	-	-
Other Liabilities	2	4,573,967	5,757,822	-	-	-
Due to Subsidiaries		-	-	-	-	-
Subordinated Term Debts		-	-	-	-	-
Off-Balance Sheet Liabilities		35,425,487	35,425,487	33,527,900	-	1,897,586
Guarantees		4,786,175	4,786,175	4,786,175	-	-
Performance Bonds		1,007,350	1,007,350	1,007,350	-	-
Letters of Credit		4,828,875	4,828,875	4,828,875	-	-
Other Contingent Items		6,286,444	6,286,444	6,286,444	-	-
Undrawn Financing Commitments		14,185,777	14,185,777	14,185,777	-	-
Other Commitments		4,330,866	4,330,866	2,433,280	-	1,897,586
Shareholders' Equity		-	-	-	-	-
Equity Capital (Stated Capital)/Assigned Capital of which Amount Eligible for CET1		17,633,461	17,633,461	-	-	-
of which Amount Eligible for AT1		-	-	-	-	-
Retained Earnings		3,667,044	3,781,065	-	-	-
Accumulated Other Comprehensive Income		101,598	101,598	-	-	-
Other Reserves		1,439,758	1,325,737	-	-	707,723
Total Shareholders' Equity		22,841,861	22,841,861	-	-	707,723

Market Discipline Disclosure Requirements Contd.

EXPLANATIONS OF DIFFERENCES BETWEEN ACCOUNTING AND REGULATORY EXPOSURE AMOUNTS

a. Significant Differences between Amounts in Carrying Values Reported in Published Financial Statements and Regulatory Reporting

Explanation Reference # 1 : Cash and Cash Equivalents and Placements with Banks and Financial Institutions

	Carrying Values as Reported in Published Financial Statements (LKR '000)	Carrying Values as under Scope of Regulatory Reporting (LKR '000)	Difference (LKR '000)	Remarks
Cash and Cash Equivalents	17,070,765	11,257,037		
Placements with Banks and Financial Institutions	38,819,330	44,310,081		
	55,890,095	55,567,118	322,977	Accrued Profits Receivable on Placements is classified separately for CBSL Reporting purposes

Explanation Reference # 2 : Due to Banks, Due to Depositors, Tax Liabilities & Other Liabilities

		Carrying Values as Reported in Published Financial Statements (LKR '000)	Carrying Values as under Scope of Regulatory Reporting (LKR '000)	Difference (LKR '000)	Remarks
Due to Banks / Other Borrowings under Regulatory Reporting					
Balance Due to Banks	A	18,949	12,088	6,861	
Financial Liabilities at Amortised Cost - Due to Depositors	B	154,405,710	153,228,716	1,176,994	
Profits Payable	C	-	1,379,426	(1,379,426)	Profit Payable on Deposits has been reported under Profits Payable for CBSL reporting purposes
	D	-	(202,432)	202,432	Margin Deposits have been reported under Deposits for CBSL reporting purposes
	E = (A+B+C+D)	154,424,659	154,417,799		
Current Tax Liabilities	F	473,465	473,465		
Other Liabilities	G	4,573,967	4,580,828	(6,861)	Saubagya Renaissance Facility payable has been reported under Other Payables for CBSL Reporting purposes
Derivative Liabilities	H	22,857	22,857		
	I = (E+F+G+H)	159,494,948	159,494,948		

NET STABLE FUNDING RATIO UNDER BASEL III - LIQUIDITY STANDARDS

Calculation of Net Stable Funding Ratio (NSFR)

As at 31 December	2024 LKR '000	2023 LKR '000
Total Available Stable Funding	151,705,061	121,213,362
Required Stable Funding - On Balance Sheet Assets	115,644,902	63,297,792
Required Stable Funding - Off Balance Sheet Items	1,636,653	1,264,754
Total Required Stable Funding	117,281,555	64,562,545
NSFR (Minimum Requirement - 100%)	129%	188%

TOTAL AVAILABLE STABLE FUNDING

As at 31 December 2024	Unweighted Amount LKR '000	ASF Factor %	Weighted Amount LKR '000
Total Available Stable Funding	181,211,586		151,705,061
Liabilities and Capital Assigned a 100% ASF factor	25,570,783		25,570,783
Total Regulatory Capital Before Capital Deductions (Excluding Tier 2 Instruments with Residual Maturity of less than One Year)	21,716,638	100%	21,716,638
Any Other Capital Instrument With Effective Residual Maturity of One Year or More	-	100%	-
Secured and Unsecured Borrowings and Liabilities with Effective Residual Maturities of One Year or More	3,854,145		3,854,145
Net Deferred Tax Liabilities	-	100%	-
Minority Interest	-	100%	-
Other Liabilities	3,854,145	100%	3,854,145
Liabilities Assigned a 90% ASF Factor	127,748,514		114,973,662
Non-Maturity Deposits and Term Deposits with Residual Maturity of less than One Year Provided by Retail Customers and SME	127,748,514	90%	114,973,662
Liabilities Assigned a 50% ASF Factor	22,321,230		11,160,615
Funding with Residual Maturity of less than One Year Provided by Non-Financial Corporate Customers	22,309,142	50%	11,154,571
Operational Deposits	12,088	50%	6,044
Funding with Residual Maturity of less than One Year from Sovereigns, Public Sector Entities (PSES), and Multilateral Development Banks (MDBs)	-	50%	-
Other Funding with Residual Maturity between Six Months and less than One Year not included in the Above Categories, including Funding Provided by Central Banks and Financial Institutions	-	-	-
Net Deferred Tax Liabilities	-	50%	-
Minority Interest	-	50%	-
Other Liabilities	-	50%	-
Liabilities Assigned a 0% ASF Factor	5,571,059		-
All Other Liabilities and Equity not included in the Above Categories including Other Funding with Residual Maturity of less than Six Months from Central Banks and Financial Institutions	-	0%	-
Other Liabilities without a Stated Maturity	5,571,059	-	-
Net Deferred Tax Liabilities	-	-	-
Minority Interest	-	-	-
Other Liabilities	5,571,059	0%	-
NSFR Derivative Liabilities Net of Derivative Assets (If NSFR Derivative Liabilities are Greater than NSFR Derivative Assets)	-	0%	-
"Trade Date" Payables arising from Purchases of Financial Instruments, Foreign Currencies and Commodities	-	-	-

Market Discipline Disclosure Requirements Contd.

REQUIRED STABLE FUNDING – ON BALANCE SHEET ASSETS

As at 31 December 2024	Unweighted Amount LKR '000	ASF Factor %	Weighted Amount LKR '000
Required Stable Funding - On Balance Sheet Assets	-		115,644,902
Assets assigned a 0% RSF factor	-		-
Cash in Hand	11,257,037	0%	-
Central Bank Reserves (Statutory Reserve Ratio (SRR) including Excess SRR)	7,078,039	0%	-
All Claims on Central Banks with Residual Maturities of less than Six Months	-	0%	-
"Trade Date" Receivables arising from Sales of Financial Instruments, Foreign Currencies and Commodities	-	0%	-
Assets Assigned a 5% RSF Factor	-		-
Unencumbered Level 1 Assets	-		-
Qualifying Marketable Securities	-		-
Issued by Sovereigns	-	5%	-
Guaranteed by Sovereigns	-	5%	-
Issued or Guaranteed by Central Banks	-	5%	-
Issued or Guaranteed by BIS, IMF, ECB And European Community or Eligible MDBs	-	5%	-
20% of Derivative Liabilities	-	5%	-
Assets Assigned a 10% RSF Factor	-		-
Unencumbered Financing to Financial Institutions with Residual Maturities of less than Six Months	-	10%	-
Assets Assigned a 15% RSF Factor	-		-
Unencumbered Level 2A Assets	-		-
Qualifying Marketable Securities	-		-
Issued or Guaranteed by Sovereigns	-	15%	-
Issued or Guaranteed by Central Banks	-	15%	-
Issued or Guaranteed By PSEs	-	15%	-
Issued or Guaranteed By MDBs	-	15%	-
Qualifying Non-Financial Corporate Debt Securities (including Commercial Paper and Promissory Notes) and Covered Bonds	-	15%	-
Qualifying Investments in Gilt Unit Trust Backed by Government of Sri Lanka (GoSL) Securities	-	15%	-
All Other Unencumbered Financing to Financial Institutions with Residual Maturities of less than Six Months	-	15%	-
Assets Assigned a 50% RSF Factor	-		62,675,539
Unencumbered Level 2B Assets	-		36,605
Qualifying Non-Financial Corporate Debt Securities (including Commercial Paper And Promissory Notes)	-	50%	-
Qualifying Non-Financial Common Equity Shares	73,210	50%	36,605
Residential Mortgage Backed Securities (RMBs) with a Credit Rating of at least AA	-	50%	-
HQLA Encumbered for a Period of Six Months or more and less than One Year	-	50%	-
Unencumbered Financing to Financial Institutions and Central Banks with Residual Maturity between Six Months and less than One Year	-	50%	-

As at 31 December 2024	Unweighted Amount LKR '000	ASF Factor %	Weighted Amount LKR '000
Deposits held at Other Financial Institutions for Operational Purposes	-	50%	-
All Other Non HQLA not included in the above categories with Residual Maturity of less than One Year	125,277,868	50%	62,638,934
Assets Assigned a 65% RSF Factor	-		1,663,250
Qualifying Unencumbered Residential Mortgages with a Residual Maturity of One Year or More	2,558,847	65%	1,663,250
Other Qualifying Unencumbered Financing Financial Institutions, with a Residual Maturity of One Year or more	-	65%	-
Assets Assigned a 85% RSF Factor	-		33,053,538
Cash, Securities or Other Assets Posted as Initial Margin for Derivative Contracts	-	85%	-
Other Unencumbered Performing Loans	38,886,515	85%	33,053,538
Unencumbered Securities that are not in Default and do not Qualify as HQLA	-	85%	-
Physical Traded Commodities, including Gold	-	85%	-
Assets Assigned a 100% RSF Factor	-		18,252,575
All Assets that are Encumbered for a Period of One Year or more	-	100%	-
NSFR Derivative Assets Net of NSFR Derivative Liabilities If NSFR Derivative Assets are greater than NSFR Derivative Liabilities	10,459,161	100%	10,459,161
All Other Assets not included in Above	7,793,414	100%	7,793,414

REQUIRED STABLE FUNDING – OFF BALANCE SHEET ITEMS

As at 31 December 2024	Unweighted Amount LKR '000	ASF Factor %	Weighted Amount LKR '000
Required Stable Funding - Off Balance Sheet Items			1,636,653
Irrevocable and Conditionally Revocable Credit and Liquidity Facilities to any Client	14,185,777	5%	709,289
Other Contingent Funding Obligations, including Products and Instruments	-		927,365
Unconditionally Revocable Credit and Liquidity Facilities	-	0%	
Trade Finance-Related Obligations (including Guarantees and Letters of Credit)	18,547,292	5%	927,365
Guarantees Unrelated to Trade Finance Obligations	-	0%	-
Non-Contractual Obligations	-		-
Potential Requests for Debt Repurchases of the Bank'S Own Debt or that of Related Conduits, Securities Investment Vehicles and Other such Financing Facilities	-	5%	-
Structured Products where Customers Anticipate Ready Marketability, such as Adjustable Rate Notes and Variable Rate Demand Notes (VRDNs)	-	5%	-
Managed Funds that are Marketed with the Objective of Maintaining a Stable Value	-	5%	-
Any Other Obligations	-	5%	

INVESTOR RELATIONS

COMPLIANCE REPORT ON THE CONTENTS OF ANNUAL REPORT IN TERMS OF CONTINUING LISTING REQUIREMENTS OF THE COLOMBO STOCK EXCHANGE

The table below summarises the Bank's degree of compliance with the Listing Rules issued by Colombo Stock Exchange.

Rule No.	Disclosure Requirement	Section Reference	Page Reference
7.6 (i)	Names of persons who during the financial year were Directors of the Entity.	Annual Report of the Board of Directors on the Affairs of the Bank.	175 to 181
7.6 (ii)	Principal activities of the Entity during the year and any changes therein.	Note 1.2 to the Financial Statements - Principal Activities.	244
7.6 (iii)	The names and the number of shares held by the 20 largest holders of voting and non-voting shares and the percentage of such shares held.	Item 3 of Investor Relations.	340 and 341
7.6 (iv)	The float adjusted market capitalisation, public holding percentage (%), number of public shareholders and under which option the Listed Entity complies with the Minimum Public Holding requirement.	Annual Report of the Board of Directors on the Affairs of the Bank.	175 to 181
7.6 (v)	A statement of each Director's holding and Chief Executive Officer's holding in shares of the Entity at the beginning and end of financial year.	Annual Report of the Board of Directors on the Affairs of the Bank.	179
7.6 (vi)	Information pertaining to material foreseeable risk factors of the Entity.	Note 43 to the Financial Statements - Risk Management and refer section on 'Risk Management' in the Annual Report.	286 to 302 and 206 to 231
7.6 (vii)	Details of material issues pertaining to employees and industrial relations.	Item 4 of Investor Relations.	341
7.6 (viii)	Extents, locations, valuations and the number of buildings of the Entity's land holdings and investment properties.	Note 26 to the Financial Statements - Property, Plant, Equipment and Right-of-Use Assets.	274 to 276
7.6 (ix)	Number of shares representing the Entity's Stated Capital.	Note 36 to the Financial Statements - Stated Capital.	281
7.6 (x)	A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings.	Item 2 of Investor Relations.	339 and 340
7.6 (xi)	Ratios and Market Price information. Equity Ratios Market Value Debt Instruments Credit Rating	Item 1 of Investor Relations. Item 1 of Investor Relations. Not Applicable. Corporate Information.	339 339 Inner Back Cover
7.6 (xii)	Significant changes in the Entity's fixed assets and the market value of land, if the value differs substantially from the book value.	Note 26 to the Financial Statements - Property, Plant, Equipment and Right-of-Use Assets.	274 to 276
7.6 (xiii)	Details of funds raised through Public Issues, Rights Issues and Private Placements during the year.	Not Applicable	
7.6 (xiv)	Information in respect of Employee Share Option Scheme.	Item 5 of Investor Relations.	341
7.6 (xv)	Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Listing Rules.	Corporate Governance Report	120 to 167
7.6 (xvi)	Related Party transactions exceeding 10% of the Equity or 5% of the total assets of the Entity as per Audited Financial Statements, whichever is lower.	Annual Report of the Board of Directors on the Affairs of the Bank.	175 to 181

The Ordinary Shares of the Bank are listed on the Main Board of Colombo Stock Exchange with Security Code ABL.N0000.

1. RATIOS AND MARKET VALUE INFORMATION

1.1 Equity Ratios

	2024	2023
Dividend Per Share (LKR)* - Cash	1.20	N/A
- Scrip	N/A	1.20
Dividend Pay Out Ratio (%)	37.27	24.09
Net Asset Value Per Share (LKR)*	41.45	39.37

* During the year, the Bank consolidated its shares in the ratio of every existing Ten (10) shares in to One (1) share. In view of this, the Dividend Per Share and Net Asset Value per Share for 2023, has been suitably adjusted for better comparability.

1.2 Market Value Per Share

	2024 LKR	2023 LKR
As at 31 December	24.50	2.30
Highest	25.00	3.30
Lowest	1.90	2.10

Market Capitalisation as at 31 December 2024 - LKR 13,502,580,777 (2023 - LKR 12,675,891,470).

2. DISTRIBUTION OF SHAREHOLDERS

Range of Shareholding	As at 31 December 2024			As at 31 December 2023		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
1 to 1,000 Shares	5,418	1,388,167	0.25	1,891	368,195	0.01
1,001 to 10,000 Shares	2,534	7,348,367	1.34	4,195	13,960,005	0.25
10,001 to 100,000 Shares	598	15,904,569	2.88	2,655	78,001,091	1.42
100,001 to 1,000,000 Shares	70	19,161,901	3.48	612	152,622,555	2.77
Over 1,000,000 Shares	32	507,322,742	92.05	101	5,266,305,315	95.55
	8,652	551,125,746	100.00	9,454	5,511,257,161	100.00

Investor Relations Contd.

2.1 Residents and Non-Resident Shareholding

Shareholder	As at 31 December 2024			As at 31 December 2023		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Resident	8,608	333,877,338	60.58	9,412	3,340,055,944	60.60
Non-Resident	44	217,248,408	39.42	42	2,171,201,517	39.40
	8,652	551,125,746	100.00	9,454	5,511,257,461	100.00

2.2 Individual and Institutional Shareholding

Shareholder	As at 31 December 2024			As at 31 December 2023		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Individual	8,479	167,176,075	30.33	9,272	1,754,628,909	31.84
Institutional	173	383,949,671	69.67	182	3,756,628,552	68.16
	8,652	551,125,746	100.00	9,454	5,511,257,461	100.00

3. TWENTY LARGEST SHAREHOLDERS AS AT 31 DECEMBER

No.	Name of Shareholder	2024	
		No. of Shares	%
1.	IB Growth Fund (Labuan) LLP (Part of Islamic Development Bank Group)	137,277,245	24.91
2.	Sampath Bank PLC/Senthilvel Holdings (Pvt) Ltd.	60,915,858	11.05
3.	Mr. Sadiq Omar	49,433,445	8.97
4.	Mr. Osman Kassim	34,466,896	6.25
5.	Cargills Bank Limited/Senthilvel Holdings (Pvt) Ltd.	29,022,673	5.27
6.	AB Bank Limited	20,949,916	3.80
7.	Bank Islam Malaysia Berhad	20,949,916	3.80
8.	Quick Tea (Pvt) Ltd.	20,476,459	3.72
9.	Islamic Development Bank	18,339,298	3.33
10.	Akbar Brothers (Pvt) Ltd. A/C No. 1	18,302,459	3.32
11.	E.W. Balasuriya & Co. (Pvt) Ltd. A/C No. 1	13,043,478	2.37
12.	Domon Ltd.	11,573,996	2.10
13.	P. M. Mohamedali & Co.	8,753,665	1.59
14.	Millennium Capital Investments (Pte) Ltd.	8,138,133	1.48
15.	Mr. Mohamed Aadil Mohamed Asmath	7,437,440	1.35
16.	Mr. Hanif Yussoof	6,747,826	1.22
17.	Mr. Shafik Kassim	6,445,236	1.17
18.	Mr. Mohamed Adnaan Mohamed Iqbal	5,202,507	0.94
19.	Mr. Sattar Kassim	4,724,466	0.86
20.	Mr. Nagi Saleh Mohammed Al Faqih	4,337,591	0.79
	Sub Total	486,538,503	88.29
	Other Shareholders (Number of Shareholders - 8,632)	64,587,243	11.71
	Total	551,125,746	100.00

No.	Name of Shareholder	2023	
		No. of Shares	%
1.	IB Growth Fund (Labuan) LLP (Part of Islamic Development Bank Group)	1,372,772,458	24.91
2.	Seylan Bank PLC/Senthilverl Holdings (Pvt) Ltd.	580,453,472	10.53
3.	Mr. Mohamed Haji Omar	494,322,862	8.97
4.	Mr. Osman Kassim	344,668,966	6.25
5.	Cargills Bank Limited/Senthilverl Holdings (Pvt) Ltd.	290,226,736	5.27
6.	Bank Islam Malaysia Berhad	209,499,165	3.80
7.	AB Bank Limited	209,499,164	3.80
8.	Quick Tea (Pvt) Ltd.	204,764,592	3.72
9.	Islamic Development Bank	183,392,984	3.33
10.	Akbar Brothers (Pvt) Ltd. A/C No. 1	183,024,592	3.32
11.	E.W. Balasuriya & Co. (Pvt) Ltd. A/C No. 1	130,434,783	2.37
12.	Domon Ltd.	115,739,964	2.10
13.	Mr. Mohamed Aadil Mohamed Asmath	97,855,104	1.78
14.	P. M. Mohamedali & Co.	87,536,656	1.59
15.	Millennium Capital Investments (Pte) Ltd.	81,381,330	1.48
16.	Mr. Hanif Yusoof	66,478,260	1.21
17.	Mr. Mohamed Adnaan Mohamed Iqbal	65,275,410	1.18
18.	Mr. Shafik Kassim	64,452,364	1.17
19.	Mr. Sattar Kassim	47,244,668	0.86
20.	Mr. Nagi Saleh Mohammed Al Faqih	43,375,913	0.79
	Sub Total	4,872,399,443	88.43
	Other Shareholders (Number of Shareholders - 9,434)	638,858,018	11.57
	Total	5,511,257,461	100.00

4. There were no material issues pertaining to employees and industrial relations that occurred during the year ended 31 December 2024.

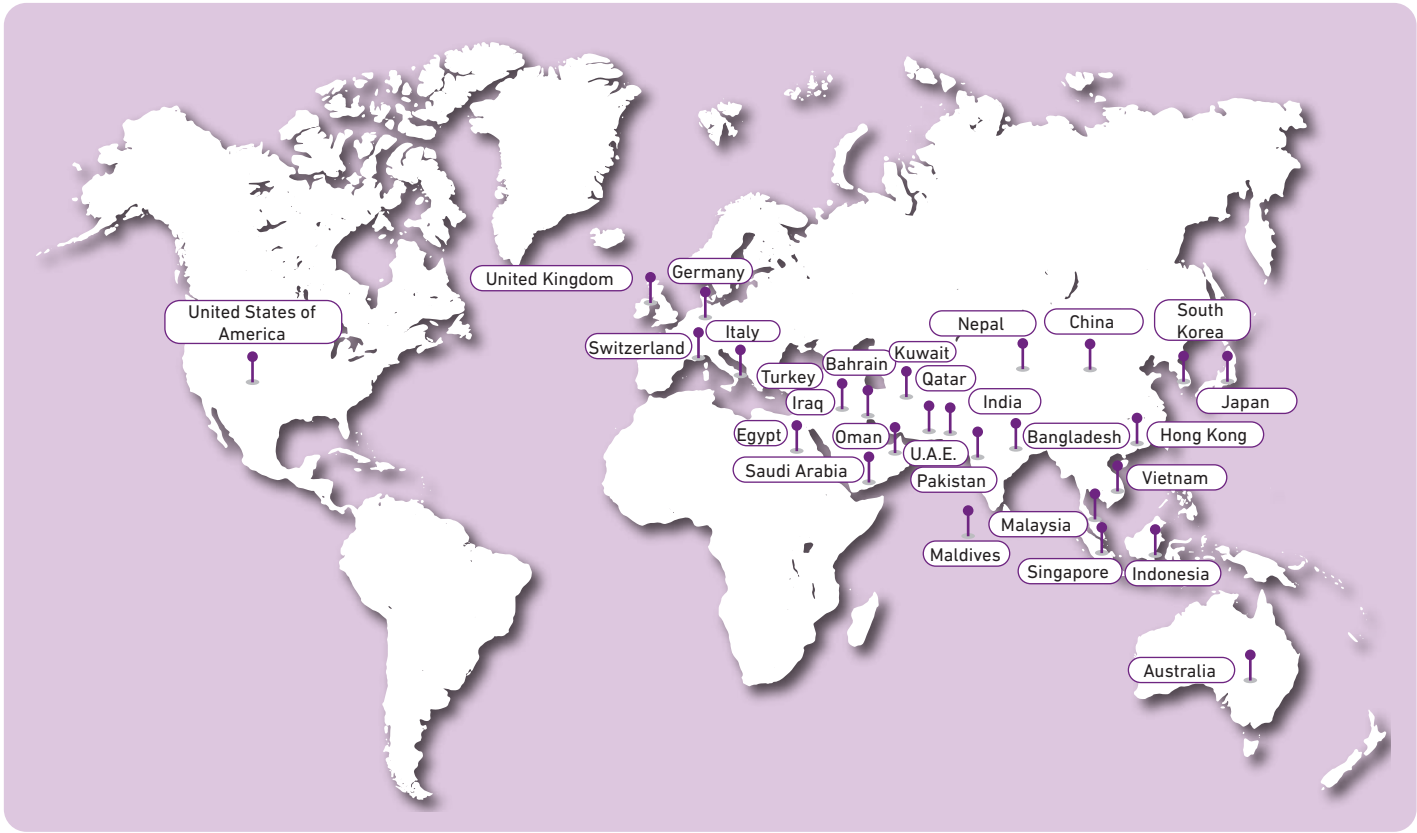
5. INFORMATION IN RESPECT OF EMPLOYEE SHARE OPTIONS SCHEME OFFERED DURING THE YEAR 2024

Employee Category	Options Granted	Options Vested not exercised	Options Exercised	Options Cancelled	Exercise Price as 31 December 2024
Management Committee	1,948,765	1,948,765	-	-	23.00
Assistant Vice Presidents	88,277	88,277	-	-	23.00
Managers	746,908	746,908	-	-	23.00
Total	2,783,950	2,783,950			

The above Options have been adjusted in line with the Share Consolidation that took place during the year under review.

Please refer page 180 of the Annual Report for Declaration by Directors of the Entity confirming that the Entity has not, directly or indirectly, provided funds for the Employee Share Options Scheme.

CORRESPONDENT BANKS



AUSTRALIA	
Bank Name	STANDARD CHARTERED BANK, AUSTRALIA
BIC	SCBLAU2S

BAHRAIN	
Bank Name	MASHREQ BANK PSC - MANAMA, BAHRAIN
BIC	BOMLBHBM

BANGLADESH	
Bank Name	AB BANK PLC - DHAKA, BANGLADESH
BIC	ABBLBDDH

BANGLADESH	
Bank Name	INTERNATIONAL FINANCE INVESTMENT AND COMMERCE BANK LTD - DHAKA, BANGLADESH
BIC	IFICBDDH

CHINA	
Bank Name	AXIS BANK LIMITED - SHANGHAI, CHINA
BIC	AXISCNSH

CHINA	
Bank Name	STANDARD CHARTERED BANK - SHANGHAI, CHINA
BIC	SCBLCNSX

EGYPT	
Bank Name	MASHREQ BANK - CAIRO, EGYPT
BIC	MSHQEGCA

GERMANY	
Bank Name	STANDARD CHARTERED BANK - FRANKFURT, GERMANY
BIC	SCBLDEFX

HONG KONG	
Bank Name	STANDARD CHARTERED BANK LIMITED - HONG KONG, HONG KONG
BIC	SCBLHKHH

INDIA

Bank AB BANK PLC - MUMBAI, INDIA
Name

BIC ABBLINBB

INDIA

Bank AXIS BANK LIMITED, MUMBAI,
Name INDIA

BIC AXISNBB

INDIA

Bank DOHA BANK Q.S.C - MUMBAI, INDIA
Name

BIC DOHBINBB

INDIA

Bank HDFC BANK LIMITED INDIA -
Name MUMBAI, INDIA

BIC HDFCINBB

INDIA

Bank INDIAN OVERSEAS BANK INDIA -
Name CHENNAI, INDIA

BIC IOBAINBB

INDIA

Bank MASHREQ BANK - MUMBAI, INDIA.
Name

BIC MSHQINBB

INDIA

Bank STANDARD CHARTERED BANK -
Name MAHARASHTRA, INDIA

BIC SCBLINAA

INDIA

Bank STANDARD CHARTERED BANK -
Name MUMBAI, INDIA

BIC SCBLINBB

INDONESIA

Bank STANDARD CHARTERED BANK -
Name JAKARTA, INDONESIA

BIC SCBLIDJX

ITALY

Bank BANCA UBAE SPA - ROMA, ITALY
Name

BIC UBAIITRR

JAPAN

Bank STANDARD CHARTERED BANK-
Name TOKYO-JAPAN

BIC SCBLJPJT

JORDAN

Bank SAFWA ISLAMIC BANK - AMMAN,
Name JORDAN

BIC JDIBJOAM

KUWAIT

Bank MASHREQBANK PSC - KUWAIT
Name CITY, KUWAIT

BIC MSHQKWKW

MALAYSIA

Bank BANK ISLAM MALAYSIA BERHAD -
Name KUALA LUMPUR, MALAYSIA

BIC BIMBMYKL

MALAYSIA

Bank MALAYAN BANKING
Name BERHAD(MAYBANK) - KUALA
LUMPUR, MALAYSIA

BIC MBBEMYKL

MALAYSIA

Bank STANDARD CHARTERED BANK
Name MALAYSIA BERHAD, KUALA
LUMPUR, MALAYSIA

BIC SCBLMYKX

MALDIVES

Bank BANK OF CEYLON -
Name MALE,MALDIVES.

BIC BCEYVMV

MALDIVES

Bank MALDIVES ISLAMIC BANK PVT. LTD
Name - MALE, MALDIVES

BIC MADVMVMV

NEPAL

Bank SIDDHARTHA BANK LTD -
Name KATHMANDU, NEPAL

BIC SIDDNPKA

OMAN

Bank ALIZZ ISLAMIC BANK - MUSCAT,
Name OMAN

BIC IZZBOMRU

OMAN

Bank BANK NIZWA - MUSCAT, OMAN.
Name

BIC BNZWOMRX

PAKISTAN

Bank FAYSAL BANK LIMITED, KARACHI,
Name PAKISTAN

BIC FAYSPKKA

PAKISTAN

Bank MEEZAN BANK LIMITED - KARACHI,
Name PAKISTAN.

BIC MEZNPCKA

PAKISTAN

Bank STANDARD CHARTERED BANK -
Name KARACHI,PAKISTAN

BIC SCBLPKKX

Correspondent Banks Contd.

PHILIPPINES

Bank Name	ASIAN DEVELOPMENT BANK - CITY OF MANDALUYONG, PHILIPPINES
BIC	ASDBPHMM

QATAR

Bank Name	ABU DHABI ISLAMIC BANK - DOHA- QATAR
BIC	ABDIQAQA

QATAR

Bank Name	AL KHALIJ COMMERCIAL BANK, DOHA, QATAR
BIC	KLJIQAQA

QATAR

Bank Name	DOHA BANK - DOHA, QATAR
BIC	DOHBQAQA

QATAR

Bank Name	MASHREQ BANK - DOHA, QATAR
BIC	MSHQAQA

SAUDI ARABIA

Bank Name	BANK AL BILAD - RIYADH, KINGDOM OF SAUDI ARABIA
BIC	ALBISARI

SAUDI ARABIA

Bank Name	BANK AL-JAZIRA - JEDDAH, KINGDOM OF SAUDI ARABIA
BIC	BJAZSAJE

SINGAPORE

Bank Name	AXIS BANK LTD - SINGAPORE, SINGAPORE
BIC	AXISSGSG

SINGAPORE

Bank Name	STANDARD CHARTERED BANK SINGAPORE, SINGAPORE
BIC	SCBLSGSG

SINGAPORE

Bank Name	STANDARD CHARTERED BANK SINGAPORE, SINGAPORE (AUD)
BIC	SCBLSG22

SOUTH KOREA

Bank Name	KOOKMIN BANK - SEOUL, KOREA
BIC	CZNBKRSE

SOUTH KOREA

Bank Name	STANDARD CHARTERED BANK - SEOUL, KOREA
BIC	SCBLKRSE

SPAIN

Bank Name	ABANCA CORPORACION BANCARIA - BETANZOS, SPAIN
BIC	CAGLESMM

SWITZERLAND

Bank Name	HABIB BANK AG ZURICH - ZURICH, SWITZERLAND
BIC	HBZUCHZZ

TAIWAN

Bank Name	STANDARD CHARTERED BANK (TAIWAN) LTD - TAIPEI, TAIWAN.
BIC	SCBLTWP

THAILAND

Bank Name	STANDARD CHARTERED BANK (THAI) PCL - BANGKOK, THAILAND
BIC	SCBLTHBK

TURKEY

Bank Name	AKTIF YATIRIM BANKASI A.S. ISTANBUL ,TURKEY
BIC	CAYTTRIS

TURKEY

Bank Name	TURKIYE FINANS KATILIM BANKASI A.S. - ISTANBUL, TURKEY
BIC	AFKBTRIS

UAE

Bank Name	ABU DHABI COMMERCIAL BANK - ABU DHABI, UNITED ARAB EMIRATES
BIC	ADCBAEAA

UAE

Bank Name	ABU DHABI ISLAMIC BANK - ABU DHABI, UNITED ARAB EMIRATES
BIC	ABDIAEAD

UAE

Bank Name	AXIS BANK LIMITED - DUBAI, UNITED ARAB EMIRATES
BIC	AXISAEAD

UAE

Bank Name	DUBAI ISLAMIC BANK - DUBAI, UNITED ARAB EMIRATES
BIC	DUIBAEAD

UAE

Bank Name	MASHREQ BANK PSC - DUBAI, UNITED ARAB EMIRATES
BIC	BOMLAEAD

UAE

Bank Name	MCB BANK LIMITED - DUBAI, UNITED ARAB EMIRATES
BIC	MUCBAEAD

UAE

Bank Name	NOOR ISLAMIC BANK- DUBAI, UAE
BIC	NISLAEAD

UAE

Bank Name	SHARJAH ISLAMIC BANK - SHARJAH, UNITED ARAB EMIRATES
BIC	NBSHAEAS

UAE

Bank Name	SIRAJ FINANCE PJSC - ABU DHABI, UNITED ARAB EMIRATES
BIC	SRAJAEAA

UAE

Bank Name	STANDARD CHARTERED BANK - DUBAI, UNITED ARAB EMIRATES
BIC	SCBLAEAD

UAE

Bank Name	UNITED ARAB BANK - SHARJAH, UNITED ARAB EMIRATES
BIC	UARBAEAA

UK

Bank Name	BANK OF CEYLON - LONDON , UNITED KINGDOM
BIC	BCEYGB2L

UK

Bank Name	QIB (UK) PLC - LONDON, UNITED KINGDOM
BIC	EFHLGB2L

UK

Bank Name	STANDARD CHARTERED BANK - LONDON,UNITED KINGDOM
BIC	SCBLGB2L

USA

Bank Name	HABIB AMERICAN BANK - NEW YORK, UNITED STATES
BIC	HANYUS33

USA

Bank Name	INTERNATIONAL FINANCE CORPORATION - WASHINGTON DC, UNITED STATES
BIC	IFCWUS33

USA

Bank Name	MASHREQBANK PSC - NEW YORK BRANCH, UNITED STATES
BIC	MSHQUS33

USA

Bank Name	STANDARD CHARTERED BANK - NEW YORK, UNITED STATES
BIC	SCBLUS33

VIETNAM

Bank Name	STANDARD CHARTERED BANK (VIETNAM) LIMITED - HANOI, VIETNAM
BIC	SCBLNVX

GLOSSARY OF BANKING AND FINANCIAL TERMS

- A -

ACCEPTANCES

Promise to pay created when the drawee of a time draft stamps or writes the words 'accepted' above his signature and a designated payment date.

ACCOUNTING POLICIES

The specific principles, bases, conventions, rules and practices adopted by an entity in preparing and presenting Financial Statements.

ACCRUAL BASIS

Recognising the effects of transactions and other events when they occur without waiting for receipt or payment of cash or its equivalent.

ACTUARIAL GAINS AND LOSSES

Actuarial gains and losses comprise the effects of differences between the previous actuarial assumptions and what has actually occurred and the effects of changes in actuarial assumptions.

ACTUARIAL VALUATION

Fund value as determined by computing its normal cost, actuarial accrued liability, actuarial value of assets and other relevant costs and value.

AMORTISATION

The systematic allocation of the depreciable amount of an intangible asset over its useful life.

AMORTISED COST

Amount at which the Financial Asset or Financial Liability is measured at initial recognition, minus principal payments, plus or minus the cumulative amortisation using the effective profit rate of any difference between that initial amount and the maturity

amount and minus any reduction for impairment. or un-collectability.

ASSET AND LIABILITY COMMITTEE (ALCO)

A risk management committee in a bank that generally comprises the corporate and senior management levels of the institution. The ALCO's primary goal is to evaluate, monitor and approve practices relating to risk due to imbalances in the capital structure. Among the factors considered are liquidity risk, market risk, foreign exchange risk and external events that may affect the Bank's forecast and strategic balance sheet allocations.

- B -

BASEL III

The Basel Committee on Banking Supervision (BCBS) issued the Basel III rules text, which presents the details of strengthened global regulatory standards on bank capital adequacy and liquidity.

BILLS FOR COLLECTION

A bill of exchange drawn by an exporter usually at a term, on an importer overseas and brought by the exporter to his bank with a request to collect the proceeds.

- C -

CAPITAL ADEQUACY RATIO (CAR)

The ratio between capital and risk weighted assets as defined in the standards developed by the Bank for International Settlement (BIS) and as modified by the Central Bank of Sri Lanka to suit local requirements.

CAPITAL GAIN

The gain on the disposal of an asset calculated by deducting the cost of the asset from the proceeds received on its disposal.

CAPITAL RESERVE

A reserve identified for specific purposes which is not available for distribution.

CARRYING VALUE

Value of an asset or a liability as per books of the organisation before adjusting for fair value.

CASH EQUIVALENTS

Short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

COLLECTIVELY ASSESSED IMPAIRMENT

Impairment assessment on a collective basis for homogeneous groups of advances that are not considered individually significant and to cover losses which have been incurred but have not yet been identified on advances subject to individual assessment.

COMMITMENTS

Credit facilities approved but not yet utilised by customers as at the reporting date.

COMMON EQUITY TIER I (CET I) CAPITAL

Consists of stated capital, other capital and revenue reserves. CET I is the element of capital which has the highest quality and most effective in absorbing losses.

CONTINGENCIES

A condition or situation, the ultimate outcome of which, gain or loss, will be confirmed only by occurrence or non-occurrence of one or more future events.

CONTRACTUAL MATURITY

Contractual maturity refers to the final payment date of a facility or other financial instrument, at which point all the remaining outstanding capital will be repaid and financing charges is due to be paid.

CORPORATE GOVERNANCE

The process by which corporate entities are governed. It is concerned with the way in which power is exercised over the management and the direction of the Bank, the supervision of executive actions and accountability to stakeholders.

CORRESPONDENT BANK

A bank in a foreign country that offers banking facilities to customers of a bank in another country.

COST TO INCOME RATIO

Operating expenses excluding impairment charge for loans as a percentage of total operating income.

CREDIT RATINGS

An evaluation of a corporate's ability to repay its obligations or likelihood of not defaulting, carried out by an independent rating agency.

CREDIT RISK

Credit risk is the risk that the Bank will incur a loss because its customers or counterparties fail to discharge their contractual obligations.

CREDIT RISK MITIGATION

A technique to reduce the credit risk associated with an exposure by application of credit risk mitigants such as collateral, guarantee and credit protection.

CURRENCY RISK

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

- D -

DEFERRED TAXATION

Sum set aside for income tax in the Financial Statements that may become payable/receivable in a financial year other than the current financial year. It arises because of timing differences between tax rules and accounting conventions.

DEFINED BENEFIT OBLIGATION

The costs of the defined benefit plans and the present value of its obligations are determined using an actuarial valuation. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and possible future gratuity increases, if any.

DEPRECIATION

The systematic allocation of the depreciable amount of an asset over its useful life.

DERECOGNITION

Removal of a previously recognised financial asset or financial liability from an entity's Statement of Financial Position.

DERIVATIVES

A derivative is a financial instrument or other contract, the value of which changes in response to some underlying variable that has an initial net investment smaller than would be required for other instruments that have a similar response to the variable, and that will be settled at a future date.

DIVIDEND COVER

Profit after tax divided by gross dividends. This ratio measures the number of times dividends is covered by the current year's distributable profits.

DIVIDEND PAYOUT RATIO

It is the percentage of earnings paid to shareholders in dividends.

DIVIDEND YIELD

Dividend earned per share as a percentage of its market value.

E

EARNINGS PER SHARE (EPS)

Profit attributable to ordinary shareholders, divided by the weighted average number of ordinary shares in issue.

EFFECTIVE PROFIT RATE (EPR)

The rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

EFFECTIVE TAX RATE

Income tax expense for the year divided by the profit before tax.

EMPLOYEE SHARE OPTION PLAN (ESOP)

A method of giving employees shares in the business for which they work.

EQUITY INSTRUMENT

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

EQUITY RISK

The risk arising from positions, either long or short, in equities or equity based instruments, which create exposure to a change in the market price of the equities or equity instruments.

Glossary of Banking and Financial Terms Contd.

EVENTS AFTER THE REPORTING DATE

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the Financial Statements are authorised for issue.

EXPECTED CREDIT LOSSES

The weighted average of credit losses with the respective risks of a default occurring as the weights

EXPECTED LOSS (EL)

A regulatory calculation of the amount expected to be lost on an exposure using a 12 month time horizon and downturn loss estimates. EL is calculated by multiplying the probability of default by the exposure at default and loss given default.

EXPOSURE AT DEFAULT (EAD)

EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal & profit and expected draw-downs of committed facilities.

- F -

FAIR VALUE

The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price).

FAIR VALUE RESERVE

A reserve that captures the cumulative net change in the fair value of an asset as long as it is still recognized on the financial statements of an entity.

FINANCIAL ASSETS MEASURED AT AMORTISED COST

A financial asset is measured at amortised cost if the asset is held within a business model whose objective is to hold assets to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

FVOCI include debt and equity instruments measured at fair value through other comprehensive income. A debt instrument is measured at FVOCI, if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding. Equity investments may be irrevocably classified as FVOCI when they meet the definition of Equity under LKAS 32 Financial Instruments: Presentation, and are not held for trading.

FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

All financial assets other than those classified at Amortised Cost or FVOCI are classified as measured at FVTPL. These are held for trading or managed and their performance is evaluated on a fair value basis as they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

FINANCE LEASE

A lease in which the lessee acquires all the financial benefits and risks attaching to ownership of the asset under lease.

FINANCIAL ASSETS

Any asset that is cash, an equity instrument of another entity or a contractual right to receive cash or another financial asset from another entity.

FINANCIAL GUARANTEE CONTRACTS

A contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

FINANCIAL INSTRUMENTS

Any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

FINANCIAL LIABILITY

Financial liability is a contractual obligation to deliver cash to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity.

FOREIGN EXCHANGE INCOME

The gain recorded when assets or liabilities denominated in foreign currencies are translated into Sri Lankan Rupees on the reporting date at prevailing rates which differ from those rates in force at inception or on the previous reporting date. Foreign exchange income also arises from trading in foreign currencies.

FORWARD EXCHANGE CONTRACTS

An agreement between two parties to exchange one currency for another at a future date at a rate agreed upon today.

- G -

GENERAL PROVISIONS

General provisions are established for loans and advances for anticipated losses on aggregate exposures where credit losses cannot yet be determined on an individual facility basis.

GUARANTEES

A promise made by a third party (Guarantor), who is not a party to a contract between two others, that the guarantor will be liable on behalf of whom the guarantee is issued if the individual fails to fulfill the contractual obligations.

- H -

HIGH QUALITY LIQUID ASSETS (HQLA)

Assets that are unencumbered, liquid in markets during a time of stress and, ideally, be central bank eligible. These include, for example, cash and claims on central governments and central banks.

HISTORICAL COST CONVENTION

Recording transactions at the actual value received or paid.

- I -

IMPAIRMENT

This occurs when the recoverable amount of an asset is less than its carrying amount.

IMPAIRMENT ALLOWANCES

Management's best estimate of losses incurred on its assets as at the reporting date.

IMPAIRMENT CHARGE/(REVERSAL)

The difference between the carrying value of an asset and the sum of discounted future cash flows generating from the same asset.

Individually Assessed Impairment Exposure to loss is assessed individually for assets that are individually significant above a certain threshold.

INTANGIBLE ASSET

An identifiable non-monetary asset without physical substance.

INVESTING ACTIVITIES

The acquisition and disposal of long term assets and other investments not included in cash equivalents.

- K -

KEY MANAGEMENT PERSONNEL (KMP)

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of the Bank.

KEY PERFORMANCE INDICATORS (KPIs)

KPIs are quantifiable measurements, agreed at the commencement of the year that reflect the critical success factors of the Bank.

- L -

LEASE LIABILITY

A lease liability is a lessee's obligation to make the lease payments arising from a lease, measured on a discounted basis. Under the new lease accounting standard, the lease liability is calculated as the present value of the lease payments over the lease term discounted, typically, using the lessee's incremental cost of funds.

LETTER OF CREDIT

Written undertakings by a Bank on behalf of its customer (typically an importer), authorising a third party (e.g. an exporter) to draw drafts on the Bank up to a stipulated amount under specific terms and conditions. Such undertakings are established for the purpose of facilitating international trade.

LIQUID ASSETS

Assets that are held in cash or in a form that can be converted to cash readily.

LIQUIDITY COVERAGE RATIO (LCR)

Ratio of stock of high quality liquid assets available to Total net cash outflows over next 30 calendar days. LCR is expected to improve the banking sector's ability to absorb shocks arising from financial and economic stress, thus, reducing the risk of spill over from the financial sector to the real economy.

LIQUIDITY RISK

Liquidity risk implies the potential for loss to the Bank due to inability to meet its obligation or to fund the increase in assets as they fall due without incurring high cost.

LOSS GIVEN DEFAULT (LGD)

The estimated ratio (percentage) of the loss on an exposure to the amount outstanding at default (EAD) upon default of counterparty.

- M -

MARKET CAPITALISATION

Number of ordinary shares in issue multiplied by the market value of each share at the year end.

MARKET RISK

Market risk denotes the risk of losses arising out of positions in the Statement of Financial Position due to changes in market prices.

MATERIALITY

The relative significance of a transaction or an event, the omission or misstatement of which could influence the economic decisions of users of Financial Statements.

MORATORIUM

Moratorium refers to the deferment of capital and/or profit payments which fall due within the respective concession periods.

However, moratorium does not mean a waive-off of capital and /or profit permanently. The customer should pay the capital and/or profit payments which fall due within the concession periods at a later date according to the revised repayment plan.

- N -

NET ASSETS VALUE PER SHARE

Shareholders' funds divided by the number of ordinary shares in issue.

NET REALISABLE VALUE

The estimated selling price in the ordinary course of the business, less the estimated cost of completion and the estimated necessary costs to make the sale.

NET FINANCING MARGIN (NFM)

Net Financing income expressed as a percentage of average income earning assets.

NET STABLE FUNDING RATIO (NSFR)

The ratio of available stable funding to required stable funding over a one year time horizon, assuming a stressed scenario. Available stable funding would include items such as equity capital, preferred stock with a maturity of over one year and liabilities with an assessed maturity of over one year.

NON-PERFORMING ADVANCES (NPA) RATIO

Non-Performing advances expressed as a percentage of the total outstanding advances.

NOSTRO ACCOUNT

A foreign currency current account maintained with another Bank, usually but not necessarily a foreign correspondent Bank.

- O -

OFF BALANCE SHEET TRANSACTIONS

Transactions that are not recognised as assets or liabilities in the Statement of Financial Position, but which give rise to commitments and contingencies.

OPERATIONAL RISK

Operational risk refers to the loss resulting from inadequate or failed internal processes, people and systems or from external events.

- P -

PAST DUE

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

PROBABILITY OF DEFAULT

Probability of default is an internal estimate for each customer grade of the likelihood that an obligor will default on an obligation.

PROJECTED UNIT CREDIT METHOD

An actuarial valuation method that sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

PROVISIONS

A provision is an amount set aside for probable, but uncertain, economic obligations of the Bank.

- R -

RELATED PARTIES

Parties where one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, directly or indirectly.

RETAINED EARNINGS

Retained earnings (RE) is the amount of net income left over for the business after it has paid out dividends to its shareholders.

RETURN ON AVERAGE ASSETS (ROA)

Profit for the year divided by Average Assets.

RETURN ON EQUITY (ROE)

Profit for the year expressed as a percentage of average ordinary shareholders' equity.

REVALUATION RESERVE

Part of the shareholders' equity that arises from changes in the current value of property, plant and equipment.

REVENUE RESERVES

Reserves set aside for future distribution and investment.

Right-of-Use Asset The right-of-use asset, or ROU asset, is an asset that represents a lessee's right to operate, hold, or occupy a leased property, item, or piece of equipment for the lease term. It is calculated as the initial amount of the lease liability, plus lease payments made before lease commencement, plus initial direct costs, less any lease incentives.

RIGHTS ISSUE

Issue of shares to the existing shareholders at an agreed price, generally lower than market price.

RISK WEIGHTED ASSETS

On Balance Sheet assets and the credit equivalent of off Balance Sheet assets multiplied by the relevant risk weighting factors.

- S -

SCRIP DIVIDEND/ BONUS ISSUE

This is a dividend which shareholders have the option to receive in the form of additional shares instead of cash.

SEGMENT REPORTING

Segment reporting indicates the contribution to the revenue derived from business segments.

SHAREHOLDERS' FUNDS

Shareholders' funds consist of stated capital plus capital and revenue reserves.

SINGLE BORROWER LIMIT

A percentage of total capital

STATUTORY RESERVE FUND

A capital reserve created in accordance with the provisions of the Banking Act No. 30 of 1988 as amended.

- T -

TIER I CAPITAL

Core capital representing permanent shareholders' equity and reserves created or increased by appropriations of retained earnings or other surpluses.

TIER II CAPITAL

Supplementary capital representing revaluation reserves, general provisions and other capital instruments, which combine certain characteristics of equity and debt such as hybrid capital instruments and subordinated term debts.

TOTAL CAPITAL

Capital base is summation of the core capital (Tier 1) and the supplementary capital (Tier II).

TRANSACTION COSTS

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability.

- U -

UNDRAWN CREDIT LINES

Credit facilities approved but not yet utilised by the clients as at the end of the reporting period

- V -

VALUE ADDED

Value added is the wealth created by providing banking services less the cost of providing such services. The value added is allocated among the employees, the providers of capital, to Government by way of taxes and retained for expansion and growth.

VALUE ADDED TAXES ON FINANCIAL SERVICES

Value Added Taxes on Financial Services is computed based on profit before tax from financial services subject to adjustment for depreciation and emoluments payable to employees and Directors.

VOSTRO ACCOUNT

A Vostro account is an account the reporting bank holds on behalf of another bank. These accounts are an essential aspect of correspondent banking in which the bank holding the funds acts as custodian for or manages the account of a foreign counterpart.

- W -

WRITE-OFFS

Financial assets are written off either partially or in their entirety only when the bank has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

BRANCH NETWORK INFORMATION

WESTERN PROVINCE

 10

 16

01

EASTERN PROVINCE

 09

 09

02

CENTRAL PROVINCE

 05

 03

03

NORTH WESTERN PROVINCE

 03

 04

04

NORTH CENTRAL PROVINCE

 02

 01

05

SABARAGAMUWA PROVINCE

 02

 01

06

SOUTHERN PROVINCE

 01

07

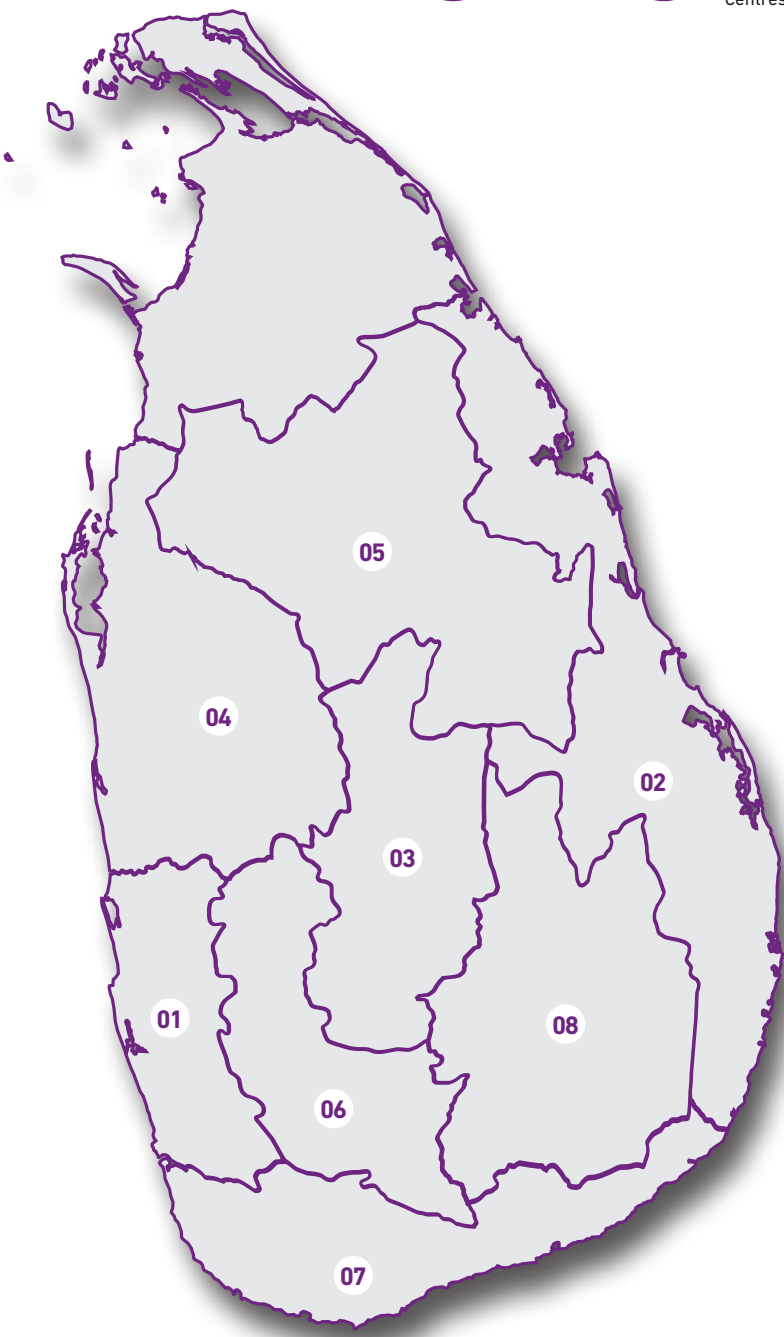
UVA PROVINCE

 01

08

 33
Branches

 34
Self Banking
Centres



BRANCH NETWORK INFORMATION

Branch	Address	District	Telephone No.	E-Mail
Akkaraipattu	No. 102, Main Street, Akkaraipattu	Ampara	067-7756015	akkaraipattu@amana.lk
Akurana	No. 204/1, Matale Road, Akurana	Kandy	081-7756010	akurana@amana.lk
Anuradhapura	No. 36A, Maithripala Senanayake Mawatha, Anuradhapura	Anuradhapura	025-7756034	anuradhapura@amana.lk
Badulla	No. 18/1, Lower Kings Street, Badulla	Badulla	055-7756021	badulla@amana.lk
Beruwala	No. 5, China Fort Road, Beruwala	Kalutara	034-7756250	beruwala@amana.lk
Dehiwala	No. 28, Galle Road, Dehiwala	Colombo	011-7756016	dehiwala@amana.lk
Dematagoda	No. 7, Kent Road, Dematagoda, Colombo 9	Colombo	011-7756028	dematagoda@amana.lk
Eravur	No. 108/5, Punnakuda Road, Eravur	Batticaloa	065-7756019	eravur@amana.lk
Galle	No. 24, Old Matara Road, Galle	Galle	091-7756008	galle@amana.lk
Gampola	No. 119, Kandy Road, Gampola	Kandy	081-7756011	gampola@amana.lk
Kaduruwela	No. 379, Main Street, Kaduruwela	Polonnaruwa	027-7756022	kaduruwela@amana.lk
Kalmunai	No. 32, Main Street, Kalmunai	Ampara	067-7756006	kalmunai@amana.lk
Kalmunai Unity Square	KUS Shopping Complex, Main Street, Kalmunai	Ampara	067-7756026	kalmunaimi@amana.lk
Kandy	No. 105, Kotugodella Veediya, Kandy	Kandy	081-7756003	kandy@amana.lk
Kattankudy	No. 237, Main Street, Kattankudy	Batticaloa	065-7756004	kattankudy@amana.lk
Katugastota	No. 93, Kurunegala Road, Katugastota	Kandy	081-7756030	katugastota@amana.lk
Kinniya	No. 264, Main Street, Kinniya	Trincomalee	026-7756025	kinniya@amana.lk
Kirulapone	No. 124, Maya Avenue, Colombo 6	Colombo	011-7756029	kirulapone@amana.lk
Kuliyaipitiya	No. 215 1/1, Main Street, Kuliyaipitiya	Kurunegala	037-7756018	kuliyaipitiya@amana.lk
Kurunegala	No. 137, Puttalam Road, Kurunegala	Kurunegala	037-7756014	kurunegala@amana.lk
Ladies Branch - Colombo 3	No. 365, Galle Road, Colombo 3	Colombo	011-7756381	ladiesbranch@amana.lk
Main Branch - Colombo 3	No. 365, Galle Road, Colombo 3	Colombo	011-7756000	mainbranch@amana.lk
Mawanella	No. 22B, New Kandy Road, Mawanella	Kegalle	035-7756013	mawanella@amana.lk
Matale	No. 392-396, Main Street, Matale	Matale	066-7756033	matale@amana.lk
Negombo	No. 97, Colombo Road, Negombo	Gampaha	031-7756020	negombo@amana.lk
Nintavur	No. 40/5, Main Street, Nintavur 24	Ampara	067-7756017	nintavur@amana.lk
Oddamavadi	Main Street, Oddamavadi 01	Batticaloa	065-7756225	oddamavadi@amana.lk
Old Moor Street	No. 330, Old Moor Street, Colombo 12	Colombo	011-7756027	oms@amana.lk
Panadura	No. 145, Galle Road, Pallimulla, Keselwatte, Panadura	Kalutara	038-7756032	panadura@amana.lk
Pettah	No. 129, Main Street, Colombo 11	Colombo	011-7756002	pettah@amana.lk
Puttalam	No 34, Kurunegala Road, Puttalam.	Puttalam	032-7756024	puttalam@amana.lk
Ratnapura	No. 131-133, Main Street, Ratnapura	Ratnapura	045-7756023	ratnapura@amana.lk
Sammanthurai	Hajiyar Palace, Hijra Junction, Viliniyadi 03, Ampara Road, Sammanthurai	Ampara	067-7756012	sammanthurai@amana.lk

Branch Network Information Contd.

SELF BANKING CENTRES

Location	Address
Addalachennai	New Shopping Complex, Pradeshiya Sabha Building, Addalachennai
Atulugama	No. 14, Sammeez Mahal, Bogawaththa, Atulugama
Batticaloa	No. 111, Main Street, Batticaloa
Dharga Town	No. 241, Mathugama Road, Dharga Town
Elabadagama	No. 409/1, Hamsiya Waththa, Elabadagama, Pannala
Galhinna	No. 226/3, Mosque Road, Galhinna
Geliya	34/A, Gampola Road, Geliya
Head Office	No. 486, Galle Road, Kollupitiya, Colombo 3
Hemmathagama	No. 2122/A, Mawanella Road, Hemmathagama
Hill Street	No. 160 A, D.B. Jayathilake Mawatha, Hill Street, Dehiwala
Irakkamam	No. 91, Ampara Road, Irakkamam 08
Kalpitiya	202/B, Puttalam Road, Kalpitiya
Kalubowila	No. 9 B, S.De.S Jayasinghe Manwatha, Kalubowila
Kaluthara	No. 437, Galle Road, Kalutara
Kattankudy Beach Road	Beach Road, New Kattankudy 03
Kekirawa	Shop # 10, EDC Arcade, Talawa Road, Kekirawa
Kolonnawa	No. 529, Kolonnawa Road, Wellampitiya
Madawala	No. 227/2/2, Kandy Road, Madawala
Maligawatte	No. 132/1 A, Jumma Masjid Road, Maligawatte
Malwana	No. 114/1, Main Street, Malwana
Mattakkuliya	No. 74/18/2, Muthuwella Jumma Mosque, Muthuwella Mawatha, Colombo 15
Mutur	No. 146, Main Street, Mutur
Pulichchakulam	No. 5931, Colombo Road, Pulichchankulam, Bathulu Oya
Punanai-ICST Campus	ICST Campus, Main Street, Jayanthiyaya, Punanai
Rajagiriya	No. 1576/19, Cotta Road, Rajagiriya
Ratmalana	No. 360, Galle Road, Ratmalana
Sainthamaruthu	No. 20 A, Akkaraipattu Road, Sainthamaruthu
Siyambalgaskotuwa	No. 326, Kahatagahamada, Siyambalgaskotuwa
Slave Island	No. 113, Justice Akbar Mawatha, Slave Island, Colombo 2
Thihariya	No. 124, Kandy Road, Thihariya
Thopur	Ward No. 2 - Main Road, Thopur
Trincomalee	No. 255, Central Road, Trincomalee
Wattala	No. 697A, Negombo Road, Mabola, Wattala
Welisara	Phoenix Industries Show Room - No. 445, Negombo Road, Welisara

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Sixteenth Annual General Meeting (AGM) of Amāna Bank PLC will be held on Tuesday, 6 May 2025 at 3.00 p.m. at the Registered Office, No. 486, Galle Road, Colombo 3, Sri Lanka, as a virtual meeting using a digital platform.

AGENDA

- 1) To receive and consider the Annual Report of the Board of Directors and the Audited Financial Statements of the Bank for the financial year ended 31 December 2024 together with the Report of the Auditors thereon.
- 2) To re-elect Mr. Delvin William Pereira (Non-Executive, Independent Director) who retires in terms of Article 29(13) of the Articles of Association of the Bank, as a Director.
- 3) To re-elect Mr. Mohamed Zaheer Mohamed Azreen (Non-Executive, Independent Director) who retires in terms of Article 29(13) of the Articles of Association of the Bank, as a Director.
- 4) To re-elect Mr. Senthilvel Senthil Nandhanan (Non-Executive, Non-Independent Director) who retires in terms of Article 29(13) of the Articles of Association of the Bank, as a Director.
- 5) To re-elect Mr. Mohammed Aatur Rahman Chowdhury, (Non-Executive, Non-Independent Director) who retires by rotation in terms of Article 29(6) of the Articles of Association of the Bank, as a Director.
- 6) To re-elect Mr. Syed Muhammed Asim Raza, (Non-Executive, Non-Independent Director) who retires by rotation in terms of Article 29(6) of the Articles of Association of the Bank, as a Director.
- 7) To re-appoint Messrs Ernst & Young, Chartered Accountants as the Auditors for the ensuing year and authorize the Directors to determine their remuneration.
- 8) To re-appoint the Sharia Supervisory Council consisting of:
 - (a) Ash-Sheikh Dr. Mufti Muhammad Imran Ashraf Usmani
 - (b) Ash-Sheikh Mufti M. I. M. Rizwe
 - (c) Ash-Sheikh Mufti Muhammad Hassaan Kaleem
- 9) To authorize the Directors to determine contributions to charities for the financial year 2025.
- 10) To consider any other business of which due notice has been given.

By Order of the Board

Amāna Bank PLC



Shaheela Shibly
Company Secretary

14 March 2025
Colombo.

Notes:

- i. A Shareholder is entitled to appoint a proxy to participate in the Meeting by virtual means and vote instead of him/her. A proxy need not be a shareholder of the Bank.
- ii. A Form of Proxy is enclosed for this purpose.
- iii. Shareholders who wish to participate at the AGM through the online platform are kindly requested to complete and forward the "Registration of Shareholder Information" form attached hereto to the email address "agm@amana.lk" with the email subject title "AGM 2025" or post it to the address mentioned below to be received not less than forty-eight (48) hours before the start of the meeting. Shareholders are requested to provide their email addresses in the space provided in the "Registration of Shareholder Information" form in order to forward the web link if they wish to participate at the meeting through the online platform.
- iv. Shareholders who wish to appoint a member of the Board of Directors as his/her proxy to represent them at the AGM may do so by completing the Form of Proxy, in such an event the email address of the proxy holder will not be required.
- v. Shareholders may send their questions/comments on the items listed in the Agenda of the Notice convening the AGM by email to "agm@amana.lk" or by post to Company Secretary, Amāna Bank PLC, Company Secretarial Division, 6th Floor, No. 403, Galle Road, Colombo 3, Sri Lanka not less than forty-eight (48) hours before the start of the meeting.
- vi. The instrument appointing a proxy should be deposited at Amāna Bank PLC, Company Secretarial Division, 6th Floor, No. 403, Galle Road, Colombo 3, Sri Lanka not less than forty-eight (48) hours before the start of the meeting.

NOTES

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Notes Contd.

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

FORM OF PROXY

I/We* of
..... being shareholder/s of Amāna Bank PLC
hereby appoint:
of.....
NIC No.: or failing him/her*

1. Mr. Ali Asghar Akbarally

or failing him
2. Mr. Mohamed Azmeer

or failing him
3. Mr. Khairul Muzamel Perera Bin Abdullah

or failing him
4. Mr. Dilshan Hettiaratchi

or failing him
5. Mr. Mohammed Aatur Rahman Chowdhury

or failing him
6. Mr. Syed Muhammed Asim Raza

or failing him
7. Mr. Tishan Subasinghe

or failing him
8. Mr. Mohamed Adamaly

or failing him
9. Mr. Mohammad Hassan

or failing him
10. Mr. Delvin William Pereira

or failing him
11. Mr. Mohamed Zaheer Mohamed Azreen

or failing him
12. Mr. Senthilverl Senth Nandhanan

as my/our* Proxy to represent and speak for me/us* and vote for me/us* on my/our* behalf at the Sixteenth Annual General Meeting of the Bank to be held on Tuesday, 6 May 2025 at 3.00 p.m. via a digital platform, at the Registered Office, No. 486, Galle Road, Colombo 3, Sri Lanka and at any adjournment thereof and at every poll which may be taken in consequence thereof. *I/We the undersigned hereby authorize my/ our Proxy to vote on *my/our behalf in accordance with the preference indicated below. (Please indicate your preference with a “√” in the relevant box)

*Please delete what is inapplicable.

	FOR	AGAINST	ABSTAINED
1. To receive and consider the Annual Report of the Board of Directors and the Audited Financial Statements of the Bank for the financial year ended 31 December 2024 together with the Report of the Auditors thereon.	☐	☐	☐
2. To re-elect Mr. Delvin William Pereira (Non-Executive, Independent Director) who retires in terms of Article 29(13) of the Articles of Association of the Bank, as a Director.	☐	☐	☐
3. To re-elect Mr. Mohamed Zaheer Mohamed Azreen (Non-Executive, Independent Director) who retires in terms of Article 29(13) of the Articles of Association of the Bank, as a Director.	☐	☐	☐
4. To re-elect Mr. Senthilverl Senth Nandhanan (Non-Executive, Non-Independent Director) who retires in terms of Article 29(13) of the Articles of Association of the Bank, as a Director.	☐	☐	☐
5. To re-elect Mr. Mohammed Aatur Rahman Chowdhury (Non-Executive, Non-Independent Director) who retires by rotation in terms of Article 29(6) of the Articles of Association of the Bank, as a Director.	☐	☐	☐
6. To re-elect Mr. Syed Muhammed Asim Raza (Non-Executive, Non-Independent Director) who retires by rotation in terms of Article 29(6) of the Articles of Association of the Bank, as a Director.	☐	☐	☐
7. To re-appoint Messrs Ernst & Young, Chartered Accountants as the Auditors for the ensuing year and authorise the Directors to determine their remuneration.	☐	☐	☐
8. To re-appoint the Sharia Supervisory Council consisting of: (a) Ash-Sheikh Dr. Mufti Muhammad Imran Ashraf Usmani (b) Ash-Sheikh Mufti M. I. M. Rizwe (c) Ash-Sheikh Mufti Muhammad Hassaan Kaleem	☐	☐	☐
9. To authorise the Directors to determine contributions to charities for the financial year 2025.	☐	☐	☐

Signed this..... day of 2025.

.....
Signature

Please provide the following details:

Shareholder’s NIC No./Company Registration No.:

Number of Shares held:

INSTRUCTIONS FOR THE COMPLETION OF FORM OF PROXY

1. The Form of Proxy must be duly completed and signed by the shareholder/s, giving in block capitals, the name and address of shareholder/s and the name, address and NIC of the Proxy holder clearly and legibly. Where necessary delete the inapplicable words indicated by asterisk.
2. The completed Form of Proxy should be deposited at the office of the Company Secretary, Company Secretarial Division, 6th Floor, No. 403, Galle Road, Colombo 3, Sri Lanka not less than forty-eight (48) hours before the start of the meeting.
3. If the Proxy has been signed by an Attorney, the relevant Power of Attorney should accompany the completed Proxy for registration, if such Power of Attorney had not been registered with the Bank.
4. In the case of a Company/Corporation, the Proxy must be under its Common Seal (where applicable) which should be affixed and attested in the manner prescribed by its Articles of Association/Act of Incorporation signed by two Directors or a Director and Secretary of the Company with the Company rubber stamp placed on it.

CORPORATE INFORMATION

NAME OF THE INSTITUTION

Amāna Bank PLC

LEGAL FORM

A Public Limited Liability Company incorporated in Sri Lanka on 5 February 2009 under the Companies Act No. 07 of 2007 and listed on the Main Board of the Colombo Stock Exchange and re-registered under the Companies Act No. 07 of 2007 on 28 August 2014. Amāna Bank PLC is a Licensed Commercial Bank under the Banking Act No. 30 of 1988 and amendments thereto

COMPANY REGISTRATION NUMBER

PB 3618 PQ

ACCOUNTING YEAR END

31 December

BUSINESS

Commercial banking and related services

EXTERNAL CREDIT RATING

- ▲ Fitch Ratings Lanka Limited as BBB-(lka) with a Stable Outlook
- ▲ Lanka Rating Agency Limited as BBB+ with a Stable Outlook

INDUSTRY MEMBERSHIPS

The Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI)
The Islamic Financial Services Board (IFSB)
The Association of Alternate Financial Institutions (AAFI)

REGISTERED OFFICE

486, Galle Road, Colombo 3, Sri Lanka
Tel : (94) - (11) - 7756000
Email : info@amana.lk

SWIFT

AMNALKLX

WEB

www.amanabank.lk

TAX PAYER IDENTIFICATION NUMBER (TIN)

134036184

VAT REGISTRATION NUMBER

134036184-7000

BOARD OF DIRECTORS

1. Mr. Ali Asghar Akbarally – Chairman (Non-Executive, Non-Independent Director)
2. Mr. Mohamed Azmeer (Managing Director/CEO)
3. Mr. Khairul Muzamel Perera Bin Abdullah (Non-Executive, Senior Independent Director)
4. Mr. Dilshan Hettiaratchi (Non-Executive, Non-Independent Director)
5. Mr. Mohammed Ataur Rahman Chowdhury (Non-Executive, Non-Independent Director)
6. Mr. Syed Muhammed Asim Raza (Non-Executive, Non-Independent Director)
7. Mr. Tishan Subasinghe (Non-Executive, Independent Director)
8. Mr. Mohamed Adamaly (Non-Executive, Non-Independent Director)
9. Mr. Mohammad Hassan (Non-Executive, Non-Independent Director)
10. Mr. Delvin William Pereira (Non-Executive, Independent Director)
11. Mr. Mohamed Zaheer Mohamed Azreen (Non-Executive, Independent Director)
12. Mr. Senthilvel Senthil Nandhanan (Non-Executive, Non-Independent Director) - Appointed w.e.f. 7 March 2025

SHARIA SUPERVISORY COUNCIL

- a) Ash-Sheikh Dr. Mufti Muhammad Imran Ashraf Usmani - Chairman
- b) Ash-Sheikh Mufti M. I. M. Rizwe - Member
- c) Ash-Sheikh Mufti Muhammad Hassaan Kaleem – Member

BOARD COMMITTEES

Board Audit Committee

1. Mr. Tishan Subasinghe - Chairman
2. Mr. Mohamed Zaheer Mohamed Azreen - Member
3. Mr. Mohammad Hassan - Member

Board Integrated Risk Management Committee

1. Mr. Khairul Muzamel Perera Bin Abdullah - Chairman
2. Mr. Delvin William Pereira - Member
3. Mr. Mohammed Ataur Rahman Chowdhury - Member

Board Nominations and Governance Committee

1. Mr. Mohamed Zaheer Mohamed Azreen - Chairman
2. Mr. Ali Asghar Akbarally - Member
3. Mr. Khairul Muzamel Perera Bin Abdullah - Member
4. Mr. Mohammed Ataur Rahman Chowdhury - Member
5. Mr. Delvin William Pereira - Member

Board Human Resources and Remuneration Committee

1. Mr. Delvin William Pereira - Chairman
2. Mr. Ali Asghar Akbarally - Member
3. Mr. Mohammed Ataur Rahman Chowdhury - Member
4. Mr. Dilshan Hettiaratchi - Member
5. Mr. Mohamed Zaheer Mohamed Azreen - Member

Board Related Party Transactions Review Committee

1. Mr. Tishan Subasinghe - Chairman
2. Mr. Dilshan Hettiaratchi - Member
3. Mr. Delvin William Pereira - Member
4. Mr. Mohamed Zaheer Mohamed Azreen - Member

COMPANY SECRETARY

Shaheela Shibly

AUDITORS

Messrs Ernst & Young
Chartered Accountants
Rotunda Towers, No. 109, Galle Road,
Colombo 3, Sri Lanka

LAWYERS

Messrs F J & G de Saram
Attorneys-at-Law & Notaries Public
No. 216, De Saram Place,
Colombo 10, Sri Lanka

FOR INVESTOR RELATIONS AND CLARIFICATIONS ON THE REPORT, PLEASE CONTACT:

The Company Secretary
Company Secretarial Division
6th Floor No. 403, Galle Road,
Colombo 3, Sri Lanka
Tel : +94 11 7757400



www.amanabank.lk

Amāna Bank PLC

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