



AMÃNA BANK PLC (PB 3618 PQ)

FINANCIAL STATEMENTS

30 SEPTEMBER 2020

AMĀNA BANK PLC (PB 3618 PQ)

STATEMENT OF PROFIT OR LOSS

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

	RUPEES IN THOUSANDS			RUPEES IN THOUSANDS		
	FOR THE NINE MONTHS ENDED 30 SEPTEMBER			FOR THE QUARTER ENDED 30 SEPTEMBER		
	2020	2019	Change %	2020	2019	Change %
Financing Income	5,264,970	5,738,290	(8%)	1,690,718	1,900,143	(11%)
Financing Expenses	(2,940,632)	(3,312,150)	(11%)	(855,651)	(1,163,854)	(26%)
Net Financing Income	2,324,338	2,426,140	(4%)	835,067	736,289	13%
Net Fee and Commission Income	199,010	224,866	(11%)	73,653	74,263	(1%)
Net Trading Income	334,669	566,908	(41%)	95,511	223,334	(57%)
Net Gains / (Losses) from Financial Investments at Fair Value Through Profit or Loss	(1,817)	6,686	(127%)	6,080	6,924	(1,219%)
Net Gains / (Losses) from Derecognition of Financial Assets	338	(517)	(165%)	477	(448)	(20,643%)
Net Other Operating Income	2,298	7,195	(68%)	2,183	1,536	42%
Total Operating Income	2,858,836	3,231,278	(12%)	1,012,971	1,041,898	(3%)
Impairment Reveal / (Charge) for Financing and Receivables to Other Customers and Other Losses						
Impairment Charges	(291,041)	(293,059)	(1%)	(164,988)	(115,641)	43%
Net Operating Income	2,567,796	2,938,219	(13%)	847,983	926,257	(8%)
Personnel Expenses	1,080,984	1,027,515	5%	365,258	343,319	6%
Depreciation and Amortisation of Property, Plant, Equipment and Right-of-Use Assets	260,038	129,440	101%	89,721	40,754	120%
Other Operating Expenses	608,399	793,984	(23%)	181,308	278,738	(35%)
Total Operating Expenses	1,949,421	1,950,939	(0%)	636,287	662,811	(4%)
Operating Profit Before Value Added Tax, Nation Building Tax & Debt Repayment Levy	618,375	987,280	(37%)	211,696	263,446	(20%)
Value Added Tax on Financial Services, Nation Building Tax & Debt Repayment Levy	(228,982)	(388,638)	(41%)	(72,827)	(77,380)	(6%)
Profit Before Tax	389,393	598,642	(35%)	138,869	186,066	(25%)
Tax Expenses	(139,030)	(167,620)	(17%)	(58,883)	(43,847)	34%
Profit for the Period	250,363	431,022	(42%)	79,986	142,219	(44%)
Earnings Per Share - Basic / Diluted (in LKR)	0.10	0.17	(42%)	0.03	0.06	(44%)

AMANA BANK PLC (PB 3618 PQ)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

	RUPEES IN THOUSANDS FOR THE NINE MONTHS ENDED 30 SEPTEMBER		Change %	RUPEES IN THOUSANDS FOR THE QUARTER ENDED 30 SEPTEMBER		Change %
	2020	2019		2020	2019	
Profit for the Period	250,363	431,022	(42%)	79,986	142,219	(44%)
Other Comprehensive Income/(Loss)						
Other Comprehensive Income not to be Reclassified to Profit or Loss in Subsequent Periods:						
Financial Assets - Fair Value through Other Comprehensive Income:						
Net Gain / (Loss) on Financial Assets - Fair Value through Other Comprehensive Income	124,242	(45,916)	(371%)	110,738	(2,701)	4,200%
	124,242	(45,916)	(371%)	110,738	(2,701)	4,200%
Net Comprehensive Income not to be Reclassified to Profit or Loss in Subsequent Periods:	124,242	(45,916)	(371%)	110,738	(2,701)	4,200%
Other Comprehensive Income / (Loss) for the Period Net of Tax	124,242	(45,916)	(371%)	110,738	(2,701)	4,200%
Total Comprehensive Income for the Period	374,605	385,107	(3%)	190,723	139,518	37%

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2020

	RUPEES IN THOUSANDS		Change %
	AS AT 30.9.2020	AS AT 31.12.2019 (AUDITED)	
Assets			
Cash and Cash Equivalents	8,419,148	10,067,003	(16%)
Balances with Central Bank of Sri Lanka	4,323,301	3,448,797	25%
Placements with Banks	15,899,225	10,625,183	50%
Placements with Licensed Finance Companies	1,993,282	12,053	16,437%
Derivative Financial Assets	276,340	226,092	22%
Financial Assets Designated at Fair Value through Profit or Loss	68,097	72,789	(6%)
Financial Assets at Amortised Cost - Financing and Receivables to Other Customers	59,571,733	57,716,961	3%
Financial Assets Measured at Fair Value through Other Comprehensive Income	270,384	146,142	85%
Other Assets - Financial	958,784	888,381	8%
Property, Plant, Equipment And Right-Of-Use Assets	2,414,790	2,505,901	(4%)
Intangible Assets	273,169	237,075	15%
Other Assets - Non Financial	766,006	633,193	21%
Total Assets	95,234,258	86,579,570	10%
Liabilities			
Due to Banks	-	1,103,041	(100%)
Derivative Financial Liabilities	60,650	56,479	7%
Financial Liabilities at Amortised Cost - Due to Depositors	79,889,214	71,614,753	12%
Other Liabilities - Financial	2,120,049	1,110,538	91%
Current Tax Liabilities	505,536	402,512	26%
Dividend Payable	6,539	6,891	(5%)
Deferred Tax Liability	201,266	194,315	0%
Retirement Benefit Liability	166,379	144,988	15%
Other Liabilities - Non Financial	56,452	92,486	(39%)
Total Liabilities	83,006,085	74,726,002	11%
Shareholders' Funds			
Stated Capital	10,819,561	10,619,450	0%
Statutory Reserve Fund	93,273	93,273	0%
Revaluation Reserve	818,545	818,544	0%
Fair Value Reserve	23,273	(100,970)	123%
Retained Earnings	473,523	423,270	12%
Total Equity	12,228,173	11,853,568	3%
Total Liabilities and Shareholders' Funds	95,234,258	86,579,570	10%
Net Asset Value per Ordinary Share	4.70	4.74	
Commitments and Contingencies	67,619,891	54,012,977	
Memorandum Information			
Number of Employees	899	901	
Number of Branches	32	31	

CERTIFICATION:

I certify that these Financial Statements comply with the requirements of the Companies Act No. 07 of 2007.

Sgd
M. Ali Wahid
Chief Financial Officer
9 November 2020

We, the undersigned, being the Chief Executive Officer, Chairman and Director of Amana Bank PLC certify jointly that:-

- (a) the above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka and Colombo Stock Exchange.
- (b) the information contained in these statements have been extracted from the unaudited Financial Statements of the Bank unless indicated as

Sgd
Mohamed Azmeer
Chief Executive Officer
9 November 2020

Sgd
Ali Asghar Akbarally
Chairman
9 November 2020

Sgd
Tishan Subasinghe
Director
9 November 2020

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

RUPEES IN THOUSANDS

	Stated Capital	Statutory Reserve Fund	Revaluation Reserve	Fair Value Reserve	Retained Earnings	Total
As at 1 January 2019	10,619,450	70,226	819,631	(60,456)	185,250	11,634,102
Impact of Adopting SLFRS 16	-	-	-	-	(9,138)	(9,138)
Restated Opening Balance	10,619,450	70,226	819,631	(60,455)	176,112	11,624,964
Profit for the nine months ended 30.9.2019	-	-	-	-	431,023	431,022
Other Comprehensive Income for the nine months ended 30.9.2019	-	-	-	(45,916)	-	(45,916)
As at 30 September 2019	10,619,450	70,226	819,631	(106,371)	607,135	12,010,070
Profit for the three months ended 31.12.2019	-	-	-	-	29,908	29,908
Other Comprehensive Income for the three months ended 31.12.2019	-	-	-	5,402	8,300	13,701
Interim Dividend 2019	-	-	-	-	(200,111)	(200,112)
Transfers to Statutory Reserve Fund	-	23,047	-	-	(23,047)	-
Transferred to Retained Earnings	-	-	(1,086)	-	1,086	-
As at 31 December 2019 (Audited)	10,619,450	93,273	818,545	(100,969)	423,271	11,853,568
Scrip Dividend - 2020	200,111	-	-	-	(200,111)	-
Profit for the nine months ended 30.9.2020	-	-	-	-	250,363	250,363
Other Comprehensive Income for the nine months ended 30.9.2020	-	-	-	124,242	-	124,242
As at 30 September 2020	10,819,561	93,273	818,545	23,273	473,523	12,228,173

**STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

	RUPEES IN THOUSANDS	
	2020	2019
Cash Flows from Operating Activities		
Financing Income Received	5,099,797	5,184,733
Fees and Commission Received	199,348	210,993
Financing Expenses Paid	(2,671,458)	(3,313,726)
Foreign Exchange Income Received	288,592	580,272
Gratuity Payments Made	(4,837)	(11,015)
Payments to Employees and Suppliers	(1,912,610)	(2,151,756)
Operating Profit/(Loss) before Changes in Operating Assets and Liabilities	998,832	499,500
(Increase) / Decrease in Operating Assets		
Financing and Receivable to Other Customers	(2,145,813)	(4,385,573)
Other Financial Assets	(99,727)	(88,688)
Other Non Financial Assets	(204,866)	(338,132)
Statutory Deposit	(874,503)	(486,241)
Increase / (Decrease) in Operating Liabilities		
Due to Other Customers	7,895,581	7,717,370
Due to Banks	(1,103,041)	(559,411)
Other Liabilities	1,230,554	(1,082,062)
Net Cash Flow from Operating Activities before Income Tax	5,697,017	1,276,764
Income Tax Paid	(147,102)	(244,539)
Net Cash From / (Used In) Operating Activities	5,549,915	1,032,226
Cash Flows From/(Used In) Investing Activities		
Acquisition of Property, Plant & Equipment	(24,117)	(97,049)
Proceeds from Sale of Property, Plant and Equipment	-	12
Acquisition of Intangible Assets	(88,377)	(22,709)
Investments in Placements with Banks	(5,179,425)	2,423,350
Investments in Placements with Licensed Finance Companies	(1,910,672)	(565,303)
Financial Assets Recognised through Profit or Loss - Measured at Fair Value	-	7,216
Sale / (Acquisition) of Financial Assets Designated at Fair Value through Profit or Loss	2,874	-
Dividend Received from Financial Assets	2,298	7,172
Net Cash From / (Used In) Investing Activities	(7,197,418)	1,752,691
Cash Flows From / (Used In) Financing Activities		
Rights Issue of Shares	-	-
Share Issue Expenses	-	-
Dividend Paid	(352)	(696)
Net Cash From / (Used In) Financing Activities	(352)	(696)
Net Increase / (Decrease) in Cash and Cash Equivalents	(1,647,855)	2,784,220
Cash and Cash Equivalents at the Beginning of the Year	10,068,031	5,339,450
Cash and Cash Equivalents at the End of the Period - Gross of Allowance for Impairment Losses	8,420,175	8,123,670

**CASH AND CASH EQUIVALENTS
FOR THE PERIOD ENDED 30 SEPTEMBER**

	2020	2019
Cash in Hand	2,153,383	1,810,016
Balances with Banks	6,266,792	6,313,654
	8,420,175	8,123,670
Less: Allowance for Impairment Losses	(1,028)	(1,359)
Total	8,419,148	8,122,311

01. ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

Financial instruments are measured on an ongoing basis either at fair value or at amortised cost. The summary of significant accounting policies stated in the Annual Financial Statements 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.

RUPEES IN THOUSANDS

FINANCIAL ASSETS	FAIR VALUE THROUGH PROFIT OR LOSS	AMORTIZED COST	FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	TOTAL
				AS AT 30.9.2020
Cash and Cash Equivalents	-	8,419,148	-	8,419,148
Balances with Central Bank of Sri Lanka	-	4,323,301	-	4,323,301
Placements with Banks	-	15,899,225	-	15,899,225
Placements with Licensed Finance Companies	-	1,993,282	-	1,993,282
Derivative Financial Assets	276,340	-	-	276,340
Financial Assets Designated at Fair Value through Profit or Loss	68,097	-	-	68,097
Financial Assets at Amortised Cost - Financing and Receivables to Other Customers	-	59,571,733	-	59,571,733
Financial Assets measured at Fair Value through Other Comprehensive Income	-	-	270,384	270,384
Other Assets - Financial	-	958,784	-	958,784
Total Financial Assets	344,438	91,165,471	270,384	91,780,293
Financial Liabilities				
Due to Banks	-	-	-	-
Derivative Financial Liabilities	60,650	-	-	60,650
Financial Liabilities at Amortised Cost - Due to Depositors	-	79,889,214	-	79,889,214
Other Liabilities - Financial	-	2,120,049	-	2,120,049
Total Financial Liabilities	60,650	82,009,263	-	82,069,913

FINANCIAL ASSETS	FAIR VALUE THROUGH PROFIT OR LOSS	AMORTIZED COST	FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	TOTAL
				AS AT 31.12.2019 AUDITED
Cash and Cash Equivalents	-	10,067,003	-	10,067,003
Balances with Central Bank of Sri Lanka	-	3,448,797	-	3,448,797
Placements with Banks	-	10,625,183	-	10,625,183
Placements with Licensed Finance Companies	-	12,053	-	12,053
Derivative Financial Assets	226,092	-	-	226,092
Financial Assets Designated at Fair Value through Profit or Loss	72,789	-	-	72,789
Financial Assets at Amortised Cost - Financing and Receivables to Other Customers	-	57,716,961	-	57,716,961
Financial Assets measured at Fair Value through Other Comprehensive Income	-	-	146,142	146,142
Other Assets - Financial	-	888,381	-	888,381
Total Financial Assets	298,881	82,758,379	146,142	83,203,401
Financial Liabilities				
Due to Banks	-	1,103,041	-	1,103,041
Derivative Financial Liabilities	56,479	-	-	56,479
Financial Liabilities at Amortised Cost - Due to Depositors	-	71,614,753	-	71,614,753
Other Liabilities - Financial	-	1,110,538	-	1,110,538
Total Financial Liabilities	56,479	73,828,332	-	73,884,811

02. FINANCING AND RECEIVABLES TO OTHER CUSTOMERS

ANALYSIS OF FINANCING AND RECEIVABLES TO OTHER CUSTOMERS

RUPEES IN THOUSANDS

	30.9.2020	31.12.2019 (AUDITED)
Gross Financing and Receivables to Other Customers		
Stage 1	51,872,635	48,685,703
Stage 2	6,628,970	8,059,899
Stage 3	2,539,473	2,267,684
	61,041,078	59,013,286
Accumulated Impairment		
Stage 1	(368,491)	(259,252)
Stage 2	(350,842)	(441,748)
Stage 3	(750,012)	(595,324)
Net Financing and Receivables	59,571,733	57,716,961

NOTES TO THE FINANCIAL STATEMENTS

ANALYSIS OF FINANCING AND RECEIVABLES TO OTHER CUSTOMERS - (Contd...)

03. FINANCING AND RECEIVABLES TO OTHER CUSTOMERS - BY PRODUCT

	RUPEES IN THOUSANDS	
	30.9.2020	31.12.2019 AUDITED
By Product - Domestic Currency		
Overdraft	5,068,148	5,473,786
Trade Finance	654,072	1,648,215
Lease Receivables	6,195,115	6,517,989
Staff Facilities	658,290	627,746
Term Financing	37,686,181	34,515,166
Gold Facilities	4,970,599	4,023,756
Others	723,487	597,182
Sub Total	55,955,892	53,403,840
By Product - Foreign Currency		
Overdraft	9,586	16,337
Term Financing	5,006,758	5,214,133
Trade Finance	31,365	9,396
Others	37,477	369,581
Sub Total	5,085,185	5,609,446
Total	61,041,078	59,013,286

04. MOVEMENTS IN INDIVIDUAL AND COLLECTIVE IMPAIRMENT DURING THE PERIOD 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 is as follows:

	RUPEES IN THOUSANDS			
	STAGE 1	STAGE 2	STAGE 3	TOTAL IMPAIRMENT
ECL allowance as at 1 January 2020 under SLFRS 9	259,252	441,748	595,324	1,296,325
Charge/(Write Back) for the year	109,239	(90,907)	272,708	291,041
Amounts written off	-	-	(118,020)	(118,020)
As at 30 September 2020	368,491	350,842	750,012	1,469,345

	RUPEES IN THOUSANDS			
	STAGE 1	STAGE 2	STAGE 3	TOTAL IMPAIRMENT AUDITED
ECL allowance as at 1 January 2019 under SLFRS 9	254,293	299,784	498,527	1,052,603
Charge/(Write Back) for the year	4,959	141,965	140,510	287,434
Amounts written off	-	-	(43,713)	(43,713)
As at 31 December 2019	259,252	441,748	595,324	1,296,325

05. DUE TO OTHER CUSTOMERS - BY PRODUCT

ANALYSIS OF DEPOSITS

	RUPEES IN THOUSANDS	
	30.9.2020	31.12.2019 AUDITED
By Product - Domestic Currency		
Demand Deposits	4,553,496	3,646,295
Savings Deposits	27,647,397	22,599,993
Time Deposits	39,568,043	37,437,957
Sub Total	71,768,936	63,684,246
By Product - Foreign Currency		
Demand Deposits	194,289	134,617
Savings Deposits	2,213,560	1,700,947
Time Deposits	5,712,429	6,094,945
Sub Total	8,120,278	7,930,507
Total	79,889,214	71,614,753

06. SELECTED PERFORMANCE INDICATORS (As per Regulatory Reporting)

	AS AT 30.9.2020	AS AT 31.12.2019 AUDITED
Regulatory Capital (LKR '000)		
Common Equity Tier 1	10,622,115	10,782,015
Tier 1 Capital	10,622,115	10,782,015
Total Capital	11,736,297	11,833,327
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (Minimum Requirement 7%)	14.4%	15.4%
Tier I Capital Ratio (Minimum Requirement 8.5%)	14.4%	15.4%
Total Capital Ratio (Minimum Requirement 12.5%)	15.9%	16.9%
Leverage Ratio % (Minimum Requirement 3%)	8.1%	9.66%
Assets Quality (Quality of Financing and Advance Portfolio)		
Gross Non-Performing Financing and Advances Ratio, % (Net of Profit in Suspense)	4.1%	3.7%
Net Non-Performing Financing and Advances Ratio, % (Net of Profit in Suspense and Provisions)	1.7%	1.5%
Profitability		
Financing Margin (%)	3.5%	3.9%
Return on Assets (After Tax)	0.4%	0.6%
Return on Equity	2.8%	3.9%
Regulatory Liquidity		
Statutory Liquid Assets		
- Domestic Banking Unit, Rs. (LKR in Millions)	27,831	19,818
- Foreign Currency Banking Unit, USD '000	1,454	1,310
Statutory Liquid Assets Ratio % (Minimum Requirement 20%)		
- Domestic Banking Unit	34.6%	27.7%
- Off-Shore Banking Unit	31.9%	38.0%
Total Stock of High Quality Liquid Assets (LKR in Millions)	5,616	3,304
Liquidity Coverage Ratio (%) (Minimum Requirement 90%)		
- Rupee (%)	144.7%	142.9%
- All Currency (%)	235.7%	110.0%
Net Stable Funding Ratio (%) (Minimum Requirement 90%)	181.6%	183.8%

07. SEGMENT INFORMATION

The following table presents information on total income, profit, total assets and liabilities regarding the Bank's operating segments.

FOR THE PERIOD ENDED 30 SEPTEMBER 2020	RUPEES IN THOUSANDS					
	CONSUMER BANKING	BUSINESS BANKING	TOTAL BANKING	TREASURY	UNALLOCATED / ELIMINATION	TOTAL
Income						
Financing Income	1,536,477	2,914,840	4,451,317	813,653	-	5,264,970
Net Fee and Commission Income	96,167	96,029	192,197	3,498	3,316	199,010
Net Trading Gain	-	-	-	334,669	-	334,669
Net Gains / (Losses) from Financial Investments at Fair Value Through Profit or Loss	-	-	-	(1,817)	-	(1,817)
Net Gains / (Losses) from Derecognition of Financial Assets	-	-	-	338	-	338
Other Operating Income	-	-	-	2,298	-	2,298
Total Income	<u>1,632,644</u>	<u>3,010,869</u>	<u>4,643,513</u>	<u>1,152,639</u>	<u>3,316</u>	<u>5,799,468</u>
Less						
Financing Expenses			(2,901,758)	(9,549)	(29,324)	(2,940,632)
Impairment On Financial Assets			(291,041)	-	-	(291,041)
Operating Expenses			(1,180,585)	(528,259)	(240,577)	(1,949,421)
Operating Profit Before VAT on FS & NBT			<u>270,130</u>	<u>614,831</u>	<u>(266,586)</u>	<u>618,376</u>
VAT on FS & NBT						(228,982)
Profit Before Tax						<u>389,394</u>
Tax Expenses						(139,030)
Profit After Tax						<u>250,364</u>
Total Assets	<u>17,097,480</u>	<u>42,474,254</u>	<u>59,571,733</u>	<u>24,073,220</u>	<u>11,589,304</u>	<u>95,234,258</u>
Total Liabilities	<u>70,012,287</u>	<u>9,876,927</u>	<u>79,889,214</u>	<u>60,650</u>	<u>3,056,221</u>	<u>83,006,085</u>

FOR THE PERIOD ENDED 30 SEPTEMBER 2019	RUPEES IN THOUSANDS					
	CONSUMER BANKING	BUSINESS BANKING	TOTAL BANKING	TREASURY	UNALLOCATED / ELIMINATION	TOTAL
Income						
Financing Income	1,597,443	3,723,122	5,320,565	387,849	29,875	5,738,290
Net Fee and Commission Income	98,098	120,488	218,586	5,290	990	224,866
Net Trading Income	-	-	-	566,908	-	566,908
Net Gains / (Losses) from Financial Investments at Fair Value Through Profit or Loss	-	-	-	6,686	-	6,686
Net Gains / (Losses) from Derecognition of Financial Assets	-	-	-	(517)	-	(517)
Net Other Operating Income	-	-	-	7,195	-	7,195
Total Income	<u>1,695,542</u>	<u>3,843,610</u>	<u>5,539,151</u>	<u>973,412</u>	<u>30,865</u>	<u>6,543,428</u>
Less						
Financing Expenses			(3,295,074)	(17,076)	-	(3,312,150)
Impairment On Financial Assets			(293,059)	-	-	(293,059)
Operating Expenses			(1,181,504)	(528,670)	(240,765)	(1,950,939)
Operating Profit Before VAT on FS, NBT & DRL			<u>769,515</u>	<u>427,666</u>	<u>(209,900)</u>	<u>987,281</u>
VAT on FS, NBT & DRL						(388,638)
Profit Before Tax						<u>598,642</u>
Tax Expenses						(167,620)
Profit After Tax						<u>431,022</u>
Total Assets	<u>15,919,183</u>	<u>41,435,438</u>	<u>57,354,622</u>	<u>20,267,446</u>	<u>6,013,249</u>	<u>83,635,317</u>
Total Liabilities	<u>64,290,860</u>	<u>5,150,108</u>	<u>69,440,969</u>	<u>653,317</u>	<u>1,521,825</u>	<u>71,616,111</u>

1. These Interim Financial Statements have been prepared in accordance with LKAS 34 - Interim Financial Reporting and present information required by Listing Rules of Colombo Stock Exchange.

Following the adoption of SLFRS 16 – Leases in 2019, the Bank prepared Interim Financial Statements for the year 2020 based on the said standard. However, the comparative information included in the Interim Financial Statements of 2019 was reported based on LKAS 17 - Leases and is not comparable with the information presented herein.

2. The interim condensed Financial Statements do not include all the information and disclosure required in the Annual Financial Statements, and should be read in conjunction with Annual Financial Statements as at 31 December 2019.
3. The accounting policies adopted in the presentation of the interim condensed Financial Statements are consistent with those followed in the preparation of the Bank's Annual Financial Statements for the year ended 31 December 2019.
4. The COVID-19 pandemic continues to disrupt economies around the globe including the local economy which has impacted a majority of the business sectors in the country.

Subsequent to the outbreak of COVID-19 in March this year, the Government of Sri Lanka aptly extended businesses and individuals a host of relief measures articulated through several circulars issued by Central Bank of Sri Lanka (CBSL) to Licensed Commercial Banks in successfully overcoming the consequences of the pandemic on the economy.

The relief measures to assist affected businesses and individuals were in the form of deferment of repayment terms of credit facilities up to 6 months, 7% concessionary rate for equated monthly installment (EMI) products, concessionary rates for non-EMI products and waiving off of certain charges and fees. Moreover, in August 2020 CBSL provided an extension to the debt moratorium scheme offered for COVID-19 affected businesses and individuals in the Tourism industry till March 2021, under which the Bank offered relief to eligible customers.

Further relief measures by CBSL included the Saubagya Renaissance Facility, the Saubagya Phase II scheme and Credit Guarantee & Profit Subsidy scheme that were initiated to pass on the benefit of lower financing cost to eligible customers. On 6 November 2020, the initial grace period of 6 months offered in each of these schemes was extended by an additional 3 months considering the economic slowdown caused by the recent developments related to COVID-19 pandemic.

These relief measures will continue to have an effect on the Bank's earnings and performance. In this backdrop, the Bank being cognizant of the effect this would have on its liquidity profile, proactively strengthened its liquidity position from the beginning of the second quarter of 2020 and continues to maintain a healthy buffer.

5. On 18 July, the Board of Directors declared an interim scrip dividend of LKR 0.08 per share for the financial year 2020. As required by Section 56 (2) of the Companies Act No. 07 of 2007, the Board of Directors having determined that the Bank satisfied the solvency test in accordance with Section 57 of the Companies Act No. 07 of 2007, subsequently obtained the certificate to this effect from the Bank's auditors, Messrs. Ernst & Young.

Accordingly, the Bank has issued 100,055,621 shares as Scrip Dividends by the end of September 2020.

6. There are no material events that took place after the Statement of Financial Position date which require adjustment to or disclosures in the Financial Statements other than the following:
7. Comparative figures have been restated wherever necessary to conform to the current periods presentation.
8. There has not been a significant change in the nature of the contingent liabilities as disclosed in the Annual Report of 2019.
9. Market Price of Ordinary Shares (the Bank listed its ordinary shares on the Colombo Stock Exchange on 29 January 2014) :

	2020	2019
	LKR	LKR
Market Price as at 30 September	3.60	2.70
Highest Market Price during the quarter ended 30 September	3.80	3.10
Lowest Market Price during the quarter ended 30 September	2.00	2.20

10. Twenty Largest Shareholders as at 30 September 2020

No	Name of Shareholder	No. of Shares	%
1	IB Growth Fund (Labuan) LLP	615,242,015	23.65
2	Mr. Hossain Ahmed Ismail	259,884,351	9.99
3	Mr. Mohamed Haji Omar	233,034,586	8.96
4	Bank Islam Malaysia Berhad	187,784,491	7.22
5	AB Bank Limited	187,784,490	7.22
6	Islamic Development Bank(IsDB)	164,384,227	6.32
7	Akbar Brothers (Pvt)Ltd	164,054,018	6.31
8	Mr. Farook Kassim	104,021,227	4.00
9	Millenium Capital Investment Pte. Limited	72,946,123	2.80
10	Mr. Osman Kassim jointly with Mrs K. Kassim	70,173,126	2.70
11	Mr. Shafik Kassim	64,753,953	2.49
12	Mr. Sattar Kassim	62,630,051	2.41
13	Mr. Nagi Saleh Mohammed Al Faqih	38,879,983	1.49
14	Almas Organisation (Pvt) Ltd	36,292,921	1.40
15	Mr. Sathiyamurthy Chandramohan	31,199,999	1.20
16	Mr. Ahamed Mihilar Mohamed Fazal Jiffry	14,855,567	0.57
17	ABC International Limited	12,396,799	0.48
18	Hatton National Bank PLC/Carlines Holdings (Pvt) Ltd	9,884,282	0.38
19	Amana Takaful Life Ltd	9,857,028	0.38
20	Amana Takaful (Maldives) Pvt. Ltd	9,714,453	0.37
Sub total		2,349,773,690	90.33
Other Shareholders (Number of Shareholders 6,992)		251,672,465	9.67
Total		2,601,446,155	100.00

Percentage of Public Holding as at 30 September 2020

46.45%

Number of Shareholders

6,992

Float adjusted market capitalisation

Rs. 4.35 Bn

Bank complies with the minimum public holding requirement under option 4 as specified by rule 7.13.1 (a) of the Listing Rules of Colombo Stock Exchange

11. Directors' and Chief Executive Officer's holding in shares as at 30 September 2020

Name	No. of Shares
Mr. Ali Asghar Akbarally	Nil
Mr. Rajiv Dvivedi	Nil
Mr. Dilshan Hettiaratchi	Nil
Mr. Aaron Russell-Davison	Nil
Mr. M Aatur Rahman Chowdhury	Nil
Mr. S M Asim Raza	Nil
Mr. K M P Bin Abdullah	Nil
Mr. Omar Farook Kassim	Nil
Mr. Paul Mercer	Nil
Mr. Tishan Subasinghe	Nil
Mr. Mohamed Adamaly	Nil
Mr. Mohamed Azmeer (Chief Executive Officer)	519,999