

Amãna Bank



Amana Bank PLC (PB 3618 PQ)

Interim Financial Statements

30 June 2024

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.

Amãna Bank achieves record growth in Mid-Year 2024 performance

- **Records 68% growth in PBT and 82% growth in PAT**
- **Both Advances and Deposits up by 10%**

Amãna Bank has achieved a remarkable mid-year performance in 2024, outpacing its 2023 first half, with significant growth across multiple key metrics including profitability, advances, deposits, and total assets while also maintaining key health ratios such as CASA and Stage 3 Impairment ratios beyond industry averages.

During the first half of 2024 the Bank reported a Profit Before Tax (PBT) of LKR 1.35 billion, reflecting an impressive 68% YoY growth while the Bank's Profit After Tax amounted to LKR 763.4 million, a 82% increase from the LKR 419.6 million reported last year. In Q2 alone, PBT and PAT surged by 63% and 72% YoY, amounting to LKR 616.9 million and LKR 341.1 million, respectively.

By maintaining a healthy Financing Margin of 4.3%, Net Financing Income increased by 5% YoY, reaching LKR 3.6 billion by 30 June 2023, with a notable 9% growth in Q2 alone. During H1 the Bank's Net Fee and Commission income rose by 9% to LKR 519.0 million, while Total Operating Income marginally declined by 1% to LKR 4.4 billion, mainly owing to a reduction in Net Trading Income due to continuous decline in forex premiums. After accounting for reduced impairment charges owing to improved business conditions and better management of non-performing advances, the Bank's Net Operating Income improved by 34%, to reach LKR 4.1 billion, up from LKR 3.0 billion in H1 2023.

Despite increase in Operating Expenses, the Bank continued to maintain a healthy mid-year cost to income ratio of 51%, resulting in a 48% YoY growth in Operating Profit before VAT on Financial Services to post LKR 1.8 billion. The Bank's aggregate tax contribution of approx. LKR 1.1 billion accounted for a significant 58% of the Bank's Operating Profit before all taxes. The Total Comprehensive Income for the period was LKR 755.3 million, reflecting a robust YoY growth of 95%.

Despite competition for funding in the market and the consistently declining deposit rates, the Bank saw increased acceptance of its people-friendly banking model. This led to a commendable 10% growth in Customer Deposits, closing H1 2024 with a portfolio of LKR 146.3 billion while maintaining a healthy CASA ratio of 40%. Moreover, driven by the continued success of its development-focused banking approach, the Bank's Customer Advances also grew by 10% to close at LKR 98.2 billion, while maintaining an industry low Stage 3 Impaired Financing Ratio of 1.7%. The Bank closed the first half with Total Assets of LKR 173.6 billion.

As at 30 June 2024, Amana Bank's Net Asset Value per share stands at LKR 4.08. Consequent to the recent 10 to 1 consolidation of shares carried out in July 2024, this effectively translates to over LKR 40 per share. Given the robust performance during the six months, the Bank's ROE and ROA grew to 7.0% and 1.6% respectively compared to 5.8% and 1.1% respectively to the corresponding period of 2023. As at 30 June 2024, Amana Bank's Common Equity Tier 1 and Total Capital ratios stood at 15.4% and 18.1% respectively, well above the regulatory minimum requirement of 7% and 12.5%.

Commenting on the Bank's mid-year performance, Chairman Asgi Akbarally stated, "Amana Bank's accelerated growth in the first half of 2024 highlights our strong performance despite a challenging environment. As we mark a decade since our listing on the CSE, the recent capital infusion late last year, coupled with this year's share consolidation, underscores the Bank's strong commitment to delivering value to our shareholders. We extend our gratitude to all our valued stakeholders, whose support has been vital to our journey, and we look forward with great anticipation to further accelerated growth."

Also sharing his views on the Bank's performance, Managing Director/CEO Mohamed Azmeer said, "We are humbled by our performance in the first half of 2024. The strong financial results reflect the hard work and dedication of our team. We remain committed to our strategic objectives and are confident in our ability to continue delivering accelerated growth and delivering value to our stakeholders. The robust mid-year performance is a testament to the Bank's stability and resilience. I extend my heartfelt gratitude to our Chairman and the Board, the Management, staff, shareholders, and customers for their relentless support, trust, and confidence in Your Bank. Looking ahead with optimism, we anticipate a promising journey for the rest of the year and beyond, reinforced by strong growth prospects of our development focussed people-friendly banking approach."

Amāna Bank PLC is a stand-alone institution licensed by the Central Bank of Sri Lanka and listed on the Colombo Stock Exchange with Jeddah-based IsDB Group being the principal shareholder of the Bank. The IsDB Group is a 'AAA' rated multilateral development financial institution with a membership of 57 countries. Testifying its position as a leading practitioner of the non-interest based banking model, Amāna Banks continued to be recognized amongst the Top 50 Strongest Islamic Bank's in the World by The Asian Banker.

Amāna Bank does not have any subsidiaries, associates, or affiliated institutions apart from its engagement with OrphanCare as its Founding Sponsor.

STATEMENT OF PROFIT OR LOSS

FOR THE	SIX MONTHS ENDED 30 JUNE			QUARTER ENDED 30 JUNE		
	2024	2023	Change	2024	2023	Change
	(Rs. '000)	(Rs. '000)	%	(Rs '000)	(Rs '000)	%
Financing Income	8,050,846	8,754,172	(8%)	3,908,800	4,346,308	(10%)
Financing Expenses	(4,511,193)	(5,390,184)	(16%)	(2,165,146)	(2,753,503)	(21%)
Net Financing Income	3,539,653	3,363,988	5%	1,743,654	1,592,805	9%
Net Fee and Commission Income	518,946	474,375	9%	233,049	226,408	3%
Net Trading Income	369,879	622,892	(41%)	94,781	375,404	(75%)
Net Gains / (Losses) from Financial Investments at Fair Value through Profit or Loss	4,353	10,695	(59%)	2,069	1,817	14%
Net Gains / (Losses) from Derecognition of Financial Assets	(549)	(113)	386%	(383)	(58)	560%
Net Other Operating Income	1,042	1,494	(30%)	959	514	87%
Total Operating Income	4,433,324	4,473,331	(1%)	2,074,129	2,196,890	(6%)
Impairment Charges	(351,725)	(1,436,472)	(76%)	(108,439)	(712,794)	(85%)
Net Operating Income	4,081,599	3,036,859	34%	1,965,690	1,484,096	32%
Personnel Expenses	1,127,210	875,201	29%	565,318	440,413	28%
Depreciation and Amortisation of Property, Plant, Equipment and Right-of-Use Assets	158,956	135,885	17%	79,636	68,187	17%
Other Operating Expenses	969,841	794,926	22%	488,754	400,613	22%
Total Operating Expenses	2,256,007	1,806,012	25%	1,133,708	909,213	25%
Operating Profit Before VAT on Financial Services and Social Security Contribution Levy	1,825,592	1,230,847	48%	831,982	574,883	45%
VAT on Financial Services & Social Security Contribution Levy	(474,171)	(427,998)	11%	(215,030)	(195,496)	10%
Profit Before Tax	1,351,421	802,849	68%	616,952	379,387	63%
Tax Expense	(588,000)	(383,254)	53%	(275,756)	(180,465)	53%
Profit for the Period	763,421	419,595	82%	341,196	198,922	72%
Earnings Per Share - Basic/Diluted (in Rs.)	0.14	0.08	82%	0.06	0.04	72%

STATEMENT OF COMPREHENSIVE INCOME

FOR THE	SIX MONTHS ENDED 30 JUNE			QUARTER ENDED 30 JUNE		
	2024	2023	Change	2024	2023	Change
	(Rs. '000)	(Rs. '000)	%	(Rs '000)	(Rs '000)	%
Profit for the Period	763,421	419,595	82%	341,196	198,922	72%
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	(8,103)	(32,411)	(75%)	(2,701)	(27,009)	(90%)
	(8,103)	(32,411)	(75%)	(2,701)	(27,009)	(90%)
Net Comprehensive Income not to be Reclassified to Profit or Loss in Subsequent Periods:	(8,103)	(32,411)	(75%)	(2,701)	(27,009)	(90%)
Other Comprehensive Income / (Loss) for the Period Net of Tax	(8,103)	(32,411)	(75%)	(2,701)	(27,009)	(90%)
Total Comprehensive Income for the Period	755,318	387,184	95%	338,495	171,913	97%

STATEMENT OF FINANCIAL POSITION

AS AT	30-Jun-24 (Rs. '000)	31 DEC 2023 (AUDITED) (Rs. '000)	Change %
Assets			
Cash and Cash Equivalents	14,922,786	11,100,863	34%
Balances with Central Bank of Sri Lanka	5,852,138	9,446,863	(38%)
Placements with Banks	47,454,900	42,474,570	12%
Placements with Licensed Finance Companies	82	81	1%
Derivative Financial Assets	84,934	194,267	(56%)
Financial Assets Designated at Fair Value through Profit or Loss	73,263	8,994	715%
Financial Assets at Amortised Cost - Financing and Receivables to Other Customers	98,230,332	89,658,060	10%
Financial Assets Measured at Fair Value through Other Comprehensive Income	310,898	319,000	(3%)
Other Assets - Financial	2,367,993	2,006,909	18%
Property, Plant, Equipment And Right-of-Use Assets	2,732,824	2,775,396	(2%)
Intangible Assets	358,955	379,309	(5%)
Other Assets - Non Financial	460,943	303,034	52%
Deferred Tax Assets	784,430	784,430	-
Total Assets	173,634,478	159,451,776	9%
Liabilities			
Due to Banks	21,878	321,167	(93%)
Derivative Financial Liabilities	273,163	948	28,715%
Financial Liabilities at Amortised Cost - Due to Depositors	146,379,395	132,937,607	10%
Other Liabilities - Financial	3,325,237	3,391,138	(2%)
Current Tax Liabilities	850,666	722,144	18%
Dividend Payable	6,325	6,326	(0%)
Retirement Benefit Liability	139,272	130,416	7%
Other Liabilities - Non Financial	172,870	245,446	(30%)
Total Liabilities	151,168,806	137,755,192	10%
Shareholders' Funds			
Stated Capital	17,633,461	17,633,461	-
ESOP Reserve	64,749	50,979	27%
Statutory Reserve Fund	266,441	266,441	-
Revaluation Reserve	1,007,191	1,007,191	-
Fair Value Reserve	63,785	71,888	(11%)
Retained Earnings	3,430,045	2,666,624	29%
Total Equity	22,465,672	21,696,584	4%
Total Liabilities and Shareholders' Funds	173,634,478	159,451,776	9%
Net Asset Value per Ordinary Share	4.08	3.94	
Commitments and Contingencies	56,380,194	40,739,750	
Memorandum Information			
Number of Employees	887	886	
Number of Branches	33	33	

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
12 August 2024

We, the undersigned, being Chairman and Managing Director / Chief Executive Officer 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 Rule 7.4 of Colombo Stock Exchange.

(b) the information contained in these statements have been extracted from the unaudited Financial Statements of the Bank unless indicated as audited.

Sgd

Ali Asghar Akbarally

Chairman
12 August 2024

Sgd

Mohamed Azmeer

Managing Director / CEO
12 August 2024

Amāna Bank PLC (PB 3618 PQ)

STATEMENT OF CHANGES IN EQUITY

	Stated Capital	ESOP Reserve	Statutory Reserve Fund	Revaluation Reserve	Fair Value Reserve	Retained Earnings	Total
As at 31 December 2022 (Audited)	11,348,821	-	197,102	1,008,277	85,393	1,721,762	14,361,355
Profit for the six months ended 30 June 2023	-	-	-	-	-	419,595	419,595
Total Comprehensive Income for the six months ended 30 June 2023	-	-	-	-	(32,411)	-	(32,411)
Share Issue Expenses	-	-	-	-	-	(205)	(205)
As at 30 June 2023	11,348,821	-	197,102	1,008,277	52,982	2,141,152	14,748,334
Profit for the six months ended 31 December 2023	-	-	-	-	-	967,182	967,182
Total Comprehensive Income for the six months ended 31 December 2023	-	-	-	-	18,906	(3,503)	15,403
Scrip Dividend - 2023	283,963	-	-	-	-	(283,963)	-
WHT on Scrip Dividend	-	-	-	-	-	(50,111)	(50,111)
Share Issue Expenses	-	-	-	-	-	(35,880)	(35,880)
Rights Issue	6,000,677	-	-	-	-	-	6,000,677
Share-Based Payment Expense	-	50,979	-	-	-	-	50,979
Transfers to Statutory Reserve Fund	-	-	69,339	-	-	(69,339)	-
Transferred to Retained Earnings	-	-	-	(1,086)	-	1,086	-
As at 31 December 2023 (Audited)	17,633,461	50,979	266,441	1,007,191	71,888	2,666,624	21,696,584
Profit for the six months ended 30 June 2024	-	-	-	-	-	763,421	763,421
Total Comprehensive Income for the six months ended 30 June 2024	-	-	-	-	(8,103)	-	(8,103)
Share-Based Payment Expense	-	13,770	-	-	-	-	13,770
As at 30 June 2024	17,633,461	64,749	266,441	1,007,191	63,785	3,430,045	22,465,672

STATEMENT OF CASH FLOWS

FOR THE	SIX MONTHS ENDED 30 JUNE	
	2024 (Rs. '000)	2023 (Rs. '000)
Cash Flows from Operating Activities		
Financing Income Received	8,371,753	9,849,909
Fees and Commission Received	518,397	474,262
Financing Expenses Paid	(4,674,372)	(4,847,192)
Foreign Exchange Income	369,879	622,892
Gratuity Payments Made	(8,189)	(11,704)
Payments to Employees and Suppliers	(2,540,408)	(2,004,537)
Operating Profit/(Loss) before Changes in Operating Assets and Liabilities	2,037,060	4,083,630
(Increase) / Decrease in Operating Assets		
Financing and Receivable to Other Customers	(8,923,915)	1,775,244
Other Assets	(518,993)	(674,232)
Balance with Central Bank of Sri Lanka	3,594,725	(5,561,852)
Increase / (Decrease) in Operating Liabilities		
Due to Other Customers	13,642,219	9,847,592
Due to Banks	(299,289)	(11,416,815)
Other Liabilities	205,819	779,178
Net Cash Flow from Operating Activities before Income Tax	9,737,626	(1,167,255)
Income Tax Paid	(459,478)	(300,440)
Net Cash From / (Used In) Operating Activities	9,278,148	(1,467,695)
Cash Flows From/(Used In) Investing Activities		
Acquisition of Property, Plant & Equipment	(82,766)	(52,451)
Proceeds from Sale of Property, Plant and Equipment	-	-
Acquisition of Intangible Assets	(13,264)	(154)
Investments in Placements with Banks	(5,300,002)	(981,316)
Investments in Placements with Licensed Finance Companies	(1)	(2)
Financial Assets Recognised through Profit or Loss - Measured at Fair Value	(59,916)	15,951
Dividend Received from Financial Assets	1,042	1,494
Net Cash From / (Used In) Investing Activities	(5,454,907)	(1,016,478)
Cash Flows From / (Used In) Financing Activities		
Rights Issue of Shares		
Share Issue Expenses	-	(205)
Dividend Paid	(1)	(3)
Net Cash From / (Used In) Financing Activities	(1)	(208)
Net Increase / (Decrease) in Cash and Cash Equivalents	3,823,240	(2,484,381)
Cash and Cash Equivalents at the Beginning of the Year	11,107,767	22,607,924
Cash and Cash Equivalents at the End of the Period - Gross of Allowance for Impairment	14,931,007	20,123,543
CASH AND CASH EQUIVALENTS		
	2024	2023
	(Rs. '000)	(Rs. '000)
Cash in Hand	8,802,342	5,672,305
Balances with Banks	6,128,665	14,451,238
	14,931,007	20,123,543
Less: Allowance for Impairment	(8,221)	(3,899)
Total	14,922,786	20,119,644

NOTES TO THE FINANCIAL STATEMENTS

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			
	FAIR VALUE THROUGH PROFIT OR LOSS	AMORTIZED COST	FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	TOTAL AS AT 30.6.2024
Financial Assets				
Cash and Cash Equivalents	-	14,922,786	-	14,922,786
Balances with Central Bank of Sri Lanka	-	5,852,138	-	5,852,138
Placements with Banks	-	47,454,900	-	47,454,900
Placements with Licensed Finance Companies	-	82	-	82
Derivative Financial Assets	84,934	-	-	84,934
Financial Assets Designated at Fair Value through Profit or Loss	73,263	-	-	73,263
Financial Assets at Amortised Cost - Financing and Receivables to Other Customers	-	98,230,332	-	98,230,332
Financial Assets measured at Fair Value through Other Comprehensive Income	-	-	310,898	310,898
Other Assets - Financial	-	2,367,993	-	2,367,993
Total Financial Assets	158,197	168,828,231	310,898	169,297,326
Financial Liabilities				
Due to Banks	-	21,878	-	21,878
Derivative Financial Liabilities	273,163	-	-	273,163
Financial Liabilities at Amortised Cost - Due to Depositors	-	146,379,395	-	146,379,395
Other Liabilities - Financial	-	3,325,237	-	3,325,237
Total Financial Liabilities	273,163	149,726,510	-	149,999,673

	FAIR VALUE THROUGH PROFIT OR LOSS	AMORTIZED COST	FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	TOTAL AS AT 31.12.2023 (AUDITED)
Financial Assets				
Cash and Cash Equivalents	-	11,100,863	-	11,100,863
Balances with Central Bank of Sri Lanka	-	9,446,863	-	9,446,863
Placements with Banks	-	42,474,570	-	42,474,570
Placements with Licensed Finance Companies	-	81	-	81
Derivative Financial Assets	194,267	-	-	194,267
Financial Assets Designated at Fair Value through Profit or Loss	8,994	-	-	8,994
Financial Assets at Amortised Cost - Financing and Receivables to Other Customers	-	89,658,060	-	89,658,060
Financial Assets measured at Fair Value through Other Comprehensive Income	-	-	319,000	319,000
Other Assets - Financial	-	2,006,909	-	2,006,909
Total Financial Assets	203,261	154,687,346	319,000	155,209,607
Financial Liabilities				
Due to Banks	-	321,167	-	321,167
Derivative Financial Liabilities	948	-	-	948
Financial Liabilities at Amortised Cost - Due to Depositors	-	132,937,607	-	132,937,607
Other Liabilities - Financial	-	3,391,138	-	3,391,138
Total Financial Liabilities	948	136,649,912	-	136,650,860

02. FINANCING AND RECEIVABLES TO OTHER CUSTOMERS

RUPEES IN THOUSANDS

ANALYSIS OF FINANCING AND RECEIVABLES TO OTHER CUSTOMERS	30.6.2024	31.12.2023 (AUDITED)
Gross Financing and Receivables to Other Customers	104,509,454	95,587,204
Accumulated Impairment		
Stage 1	(1,427,855)	(1,131,910)
Stage 2	(2,255,527)	(2,675,414)
Stage 3	(2,595,740)	(2,121,820)
Net Financing and Receivables to Other Customers	98,230,332	89,658,060

NOTES TO THE FINANCIAL STATEMENTS

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

FINANCING AND RECEIVABLES TO OTHER CUSTOMERS - BY PRODUCT

By Product - Domestic Currency	RUPEES IN THOUSANDS	
	30.6.2024	31.12.2023 (AUDITED)
Overdraft	10,684,247	8,881,574
Trade Finance	768,909	637,338
Lease Receivables	7,228,814	5,551,287
Staff Facilities	843,441	715,175
Term Financing	64,809,072	62,347,061
Gold Facilities	10,869,987	11,744,010
Others	886,613	594,422
Sub Total	96,091,083	90,470,867
By Product - Foreign Currency		
Overdraft	30,764	32,586
Term Financing	6,379,326	3,944,462
Trade Finance	1,931,544	1,009,372
Others	76,737	129,917
Sub Total	8,418,371	5,116,337
Total	104,509,454	95,587,204

03. 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 is as follows:

	RUPEES IN THOUSANDS			
	STAGE 1	STAGE 2	STAGE 3	TOTAL IMPAIRMENT
ECL allowance as at 1 January 2024 under SLFRS 9	1,131,910	2,675,414	2,121,820	5,929,144
Charge/(Write Back) for the year	295,945	(419,887)	473,920	349,978
Amounts written off	-	-	-	-
As at 30 June 2024	1,427,855	2,255,527	2,595,740	6,279,122

	RUPEES IN THOUSANDS			
	STAGE 1	STAGE 2	STAGE 3	TOTAL IMPAIRMENT (AUDITED)
ECL allowance as at 1 January 2023 under SLFRS 9	980,928	1,711,996	1,226,947	3,919,871
Charge/(Write Back) for the year	150,982	963,418	997,123	2,111,523
Amounts written off	-	-	(102,250)	(102,250)
As at 31 December 2023	1,131,910	2,675,414	2,121,820	5,929,144

NOTES TO THE FINANCIAL STATEMENTS

04. COMMITMENTS AND CONTINGENCIES

ANALYSIS OF COMMITMENTS AND CONTINGENCIES	RUPEES IN THOUSANDS	
	30.6.2024	31.12.2023 (AUDITED)
Gross Commitments and Contingencies	56,469,996	40,827,874
Allowance for Impairment		
Stage 1	(60,154)	(69,049)
Stage 2	(18,368)	(12,781)
Stage 3	(11,280)	(6,294)
Net Financing and Receivables to Other Customers	56,380,194	40,739,750

FINANCING AND RECEIVABLES TO OTHER CUSTOMERS - BY PRODUCT

	RUPEES IN THOUSANDS	
	30.6.2024	31.12.2023 (AUDITED)
Commitments for Unutilised Facilities	10,748,545	13,852,696
Letters of Credit	3,380,190	1,684,792
Guarantees, Bonds	5,670,207	4,718,325
Outward Clearing Cheques	786,430	779,852
Acceptances	4,745,850	4,383,996
Bills for Collection and Others	3,336,387	2,768,973
Promissory Forward Sales	25,722,400	11,667,240
Promissory Forward Purchases	2,079,987	972,000
Total	56,469,996	40,827,874

05. DUE TO OTHER CUSTOMERS - BY PRODUCT

ANALYSIS OF DEPOSITS	RUPEES IN THOUSANDS	
	30.6.2024	31.12.2023 (AUDITED)
By Product - Domestic Currency		
Demand Deposits	9,051,404	7,919,680
Savings Deposits	43,805,761	39,136,072
Time Deposits	68,021,193	58,708,725
Sub Total	120,878,358	105,764,477
By Product - Foreign Currency		
Demand Deposits	1,249,716	1,137,636
Savings Deposits	4,614,211	4,609,742
Time Deposits	19,637,110	21,425,752
Sub Total	25,501,037	27,173,130
Total	146,379,395	132,937,607

NOTES TO THE FINANCIAL STATEMENTS

06. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

All financial assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, as described below.

- Level 1 Quoted price (unadjusted) in active markets for the identical assets or liabilities. This level includes listed equity securities and / or 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 and / or debt instruments with significant unobservable components.

	RUPEES IN THOUSANDS			
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
As at 30 June 2024				
Financial Assets				
Derivative Financial Assets	-	84,934	-	84,934
Financial Assets Designated at Fair Value through Profit or Loss	73,263	-	-	73,263
Income	307,905	-	2,993	310,898
	381,168	84,934	2,993	469,095
Financial Liabilities				
Derivative Financial Liabilities	-	273,163	-	273,163
	-	273,163	-	273,163

	RUPEES IN THOUSANDS			
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL (AUDITED)
As at 31 December 2023				
Financial Assets				
Derivative Financial Assets	-	194,267	-	194,267
Financial Assets Designated at Fair Value through Profit or Loss	8,994	-	-	8,994
Income	316,007	-	2,993	319,000
	325,001	194,267	2,993	522,261
Financial Liabilities				
Derivative Financial Liabilities	-	948	-	783,200
	-	948	-	783,200

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.

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.

	30.6.2024		31.12.2023	
	CARRYING VALUE	FAIR VALUE	CARRYING VALUE (AUDITED)	FAIR VALUE (AUDITED)
Financial Assets				
Cash and Cash Equivalents	14,922,786	14,922,786	11,100,863	11,100,863
Balance with Central Bank of Sri Lanka	5,852,138	5,852,138	9,446,863	9,446,863
Placements with Banks	47,454,900	47,454,900	42,474,570	42,490,688
Placements with Other Companies	82	82	81	81
Financial Assets at Amortised Cost - Financing and Receivables to Other Customers	98,230,332	98,765,100	89,658,060	87,894,133
Other Assets - Financial	2,367,993	2,367,993	2,006,909	2,006,909
	168,828,231	169,362,999	154,687,346	152,939,537
Financial Liabilities				
Due to Banks	21,878	21,878	321,167	321,167
Financial Liabilities at Amortised Cost - Due to Depositors	146,379,395	146,379,395	132,937,607	132,937,607
Other Liabilities - Financial	3,325,237	3,325,237	3,391,138	3,391,138
	149,726,510	149,726,510	136,649,912	136,649,912

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, 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 3).

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.

07. SELECTED PERFORMANCE INDICATORS (AS PER REGULATORY REPORTING)

	AS AT 30.6.2024	AS AT 31.12.2023 (AUDITED)
Regulatory Capital (Rs. '000)		
Common Equity Tier 1 (before applicable adjustments)	20,609,660	20,609,660
Common Equity Tier 1 (after applicable adjustments)	19,353,033	19,324,373
Tier 1 Capital	19,353,033	19,324,373
Total Capital	22,708,960	22,600,754
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (Minimum Requirement 7.0%)	15.4%	16.5%
Tier I Capital Ratio (Minimum Requirement 8.5%)	15.4%	16.5%
Total Capital Ratio (Minimum Requirement 12.5%)	18.1%	19.3%
Leverage Ratio % (Minimum Requirement 3%)	11.4%	11.6%
Assets Quality (Quality of Financing and Advance Portfolio)		
Impaired Financing and Advances (Stage 3) Ratio (%)	1.7%	1.5%
Impairment (Stage 3) to Stage 3 Financing and Advances Ratio (%)	57.5%	56.5%
Profitability		
Financing Margin (%)	4.3%	4.3%
Return on Assets (Before Tax)	1.6%	1.5%
Return on Equity	7.0%	7.7%
Regulatory Liquidity		
Total Stock of High Quality Liquid Assets (Rs. in Millions)	13,561	13,936
Liquidity Coverage Ratio (%) (Minimum Requirement 100%)		
- Rupee (%)	271.0%	300.0%
- All Currency (%)	213.9%	234.9%
Net Stable Funding Ratio (%) (Minimum Requirement 100%)	102.0%	187.7%

NOTES TO THE FINANCIAL STATEMENTS
08. 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 JUNE 2024						RUPEES IN THOUSANDS	
	CONSUMER BANKING	BUSINESS BANKING	TOTAL BANKING	TREASURY	UNALLOCATED / ELIMINATION	TOTAL	
Income							
Financing Income	2,010,541	4,702,583	6,713,124	1,337,722	-	8,050,846	
Net Fee and Commission Income	192,450	290,439	482,889	20,299	15,758	518,946	
Net Trading Income	-	-	-	369,879	-	369,879	
Net Gains / (Losses) from Financial Investments at Fair Value Through Profit or Loss	-	-	-	4,353	-	4,353	
Net Gains / (Losses) from Derecognition of Financial Assets	-	-	-	(549)	-	(549)	
Other Operating Income	-	-	-	1,042	-	1,042	
Total Income	2,202,991	4,993,022	7,196,013	1,732,746	15,758	8,944,517	
Less							
Financing Expenses			(4,463,302)	(10,640)	(37,251)	(4,511,193)	
Impairment Charges			(351,725)		-	(351,725)	
Operating Expenses			(1,601,765)	(654,242)	-	(2,256,007)	
Operating Profit Before VAT on FS & SSCL			779,221	1,067,864	(21,493)	1,825,592	
VAT on FS & SSCL						(474,171)	
Profit Before Tax						1,351,421	
Tax Expense						(588,000)	
Profit After Tax						763,421	
Total Assets	24,709,717	73,520,615	98,230,332	53,660,360	21,743,786	173,634,478	
Total Liabilities	110,647,283	35,732,112	146,379,395	273,163	4,516,248	151,168,806	

FOR THE PERIOD ENDED 30 JUNE 2023						RUPEES IN THOUSANDS	
	CONSUMER BANKING	BUSINESS BANKING	TOTAL BANKING	TREASURY	UNALLOCATED / ELIMINATION	TOTAL	
Income							
Financing Income	2,098,159	5,168,803	7,266,962	1,487,210	-	8,754,172	
Net Fee and Commission Income	148,816	325,519	474,335	13,069	(13,029)	474,375	
Net Trading Income	-	-	-	622,892	-	622,892	
Net Gains / (Losses) from Financial Investments at Fair Value Through Profit or Loss	-	-	-	10,695	-	10,695	
Net Gains / (Losses) from Derecognition of Financial Assets	-	-	-	(113)	-	(113)	
Other Operating Income	-	-	-	1,494	-	1,494	
Total Income	2,246,975	5,494,322	7,741,297	2,135,247	(13,029)	9,863,515	
Less							
Financing Expenses			(4,891,039)	(481,697)	(17,448)	(5,390,184)	
Impairment Charges			(1,436,472)	-	-	(1,436,472)	
Operating Expenses			(1,264,208)	(523,743)	(18,060)	(1,806,012)	
Operating Profit Before VAT on FS			149,578	1,129,807	(48,537)	1,230,847	
VAT on FS & SSCL						(427,998)	
Profit Before Tax						802,849	
Tax Expense						(383,254)	
Profit After Tax						419,595	
Total Assets	23,529,174	56,455,002	79,984,176	38,949,081	23,045,021	141,978,278	
Total Liabilities	92,009,594	30,909,559	122,919,153	554,537	3,756,254	127,229,944	

EXPLANATORY NOTES

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.
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 2023.
3. The Board of Directors 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. The same was approved by the Shareholders at the Extraordinary General Meeting held on 5 July 2024.
4. 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 2023.
5. 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.
6. Comparative figures have been restated wherever necessary to conform to the current period's presentation.
7. There has not been a significant change in the nature of the contingent liabilities as disclosed in the Annual Report of 2023.
8. On 28 June 2024, Non Executive, Non Independent director Mr. Omar Kassim has resigned from the Board. On 20 July 2024, Mr. M. Z. M. Azreen was appointed as an Independent, Non-Executive Director.
9. Market Price of Ordinary Shares (the Bank listed its ordinary shares on the Colombo Stock Exchange on 29 January 2014) :

	2024	2023
	Rs.	Rs.
Last Traded Price as at 30 June	2.30	2.60
Highest Market Price during the quarter ended 30 June	2.60	2.70
Lowest Market Price during the quarter ended 30 June	2.20	2.30

EXPLANATORY NOTES

09. TWENTY LARGEST SHAREHOLDERS AS AT 30 JUNE 2024

No	Name of Shareholder	No. of Shares	%
1	IB Growth Fund (Labuan) LLP	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 / Mrs. Khairunniss Kassim / Mr. Abdullah 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 Acc No 01	130,434,783	2.37%
12	Domon Ltd	115,739,964	2.10%
13	Mr. Mohamed Aadil Mohamed Asmath	97,616,270	1.77%
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	67,478,260	1.22%
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 Alfaqih	43,375,913	0.79%
Sub total		4,873,160,609	88.42%
Other Shareholders (Number of Shareholders 9,582)		638,096,852	11.58%
Total		5,511,257,461	100.00%

Percentage of Public Holding as at 30 June 2024

37.67%

Number of Shareholders

9,579

Float adjusted market capitalisation

Rs 4.77 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

10. DIRECTORS' HOLDING IN SHARES AS AT 30 JUNE 2024

Name	No. of Shares
Mr. Ali Asghar Akbarally	Nil
Mr. Dilshan Hettiaratchi	Nil
Mr. M Ataur Rahman Chowdhury	Nil
Mr. S M Asim Raza	Nil
Mr. Tishan Subasinghe	Nil
Mr. Mohamed Adamaly	Nil
Mr. Mohamed Azmeer	3,000,000
Mr. Mohammad Hassan	Nil
Mr. K M P B Abdullah	Nil
Mr. Delvin Pereira	Nil