

Amāna Bank



10 years
of people friendly banking

Amana Bank PLC (PB 3618 PQ)

Interim Financial Statements

30 June 2023

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.

STATEMENT OF PROFIT OR LOSS

FOR THE PERIOD ENDED

	FOR THE SIX MONTHS ENDED 30 JUNE			FOR THE QUARTER ENDED 30 JUNE		
	2023 (Rs. '000)	2022 (Rs. '000)	Change %	2023 (Rs '000)	2022 (Rs '000)	Change %
Financing Income	8,754,172	4,852,245	80%	4,346,308	2,639,589	65%
Financing Expenses	(5,390,184)	(2,849,039)	89%	(2,753,503)	(1,763,183)	56%
Net Financing Income	3,363,988	2,003,206	68%	1,592,805	876,406	82%
Net Fee and Commission Income	474,375	285,277	66%	226,408	169,395	34%
Net Trading Income	622,892	424,602	47%	375,404	188,691	99%
Net Gains / (Losses) from Financial Investments at Fair Value through Profit or Loss	10,695	(26,755)	140%	1,817	(8,870)	120%
Net Gains / (Losses) from Derecognition of Financial Assets	(113)	(146)	(23%)	(58)	(39)	49%
Net Other Operating Income	1,494	2,928	(49%)	514	2,756	(81%)
Total Operating Income	4,473,331	2,689,112	66%	2,196,890	1,228,339	79%
Impairment Charges	(1,436,472)	(494,408)	191%	(712,794)	(252,104)	183%
Net Operating Income	3,036,859	2,194,704	38%	1,484,096	976,235	52%
Personnel Expenses	875,201	725,101	21%	440,413	366,554	20%
Depreciation and Amortisation of Property, Plant, Equipment and Right-of-Use Assets	135,885	151,278	(10%)	68,187	75,870	(10%)
Other Operating Expenses	794,926	536,645	48%	400,613	293,523	36%
Total Operating Expenses	1,806,012	1,413,024	28%	909,213	735,947	24%
Operating Profit Before VAT on Financial Services & Social Security Contribution Levy	1,230,847	781,680	57%	574,883	240,288	139%
VAT on Financial Services & Social Security Contribution Levy	(427,998)	(224,733)	90%	(195,496)	(69,098)	183%
Profit Before Tax	802,849	556,947	44%	379,387	171,190	122%
Tax Expenses	(383,254)	(194,931)	97%	(180,465)	(59,917)	201%
Profit for the Period	419,595	362,016	16%	198,922	111,273	79%
Earnings Per Share - Basic / Diluted (in Rs.)	0.15	0.13	16%	0.07	0.04	79%

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED

	FOR THE SIX MONTHS ENDED 30 JUNE			FOR THE QUARTER ENDED 30 JUNE		
	2023 (Rs. '000)	2022 (Rs. '000)	Change %	2023 (Rs '000)	2022 (Rs '000)	Change %
Profit for the Period	419,595	362,016	16%	198,922	111,273	79%
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	(32,411)	(81,028)	(60%)	(27,009)	(8,103)	233%
	(32,411)	(81,028)	(60%)	(27,009)	(8,103)	233%
Net Comprehensive Income not to be Reclassified to Profit or Loss in Subsequent Periods:	(32,411)	(81,028)	(60%)	(27,009)	(8,103)	233%
Other Comprehensive Income / (Loss) for the Period Net of Tax	(32,411)	(81,028)	(60%)	(27,009)	(8,103)	233%
Total Comprehensive Income for the Period	387,184	280,988	38%	171,913	103,170	67%

STATEMENT OF FINANCIAL POSITION

AS AT

	30 JUN 2023 (Rs. '000)	31 DEC 2022 (AUDITED) (Rs. '000)	Change %
Assets			
Cash and Cash Equivalents	20,119,644	22,603,294	(11%)
Balances with Central Bank of Sri Lanka	10,647,531	5,085,679	109%
Placements with Banks	24,449,153	24,570,292	(0%)
Placements with Licensed Finance Companies	79	77	3%
Derivative Financial Assets	52,510	70,733	(26%)
Financial Assets Designated at Fair Value through Profit or Loss	54,305	59,561	(9%)
Financial Assets at Amortised Cost - Financing and Receivables to Other Customers	79,984,176	83,185,917	(4%)
Financial Assets Measured at Fair Value through Other Comprehensive Income	300,094	332,505	(10%)
Other Assets - Financial	2,780,437	2,323,566	20%
Property, Plant, Equipment And Right-of-Use Asset:	2,414,283	2,466,761	(2%)
Intangible Assets	288,452	319,253	(10%)
Other Assets - Non Financial	479,828	262,467	83%
Deferred Tax Assets	407,786	407,786	-
Total Assets	141,978,278	141,687,891	0%
Liabilities			
Due to Banks	439,908	11,856,723	(96%)
Derivative Financial Liabilities	254,229	20,880	1,118%
Financial Liabilities at Amortised Cost - Due to Depositors	122,919,153	112,546,017	9%
Other Liabilities - Financial	2,532,621	2,041,967	24%
Current Tax Liabilities	730,806	645,606	13%
Dividend Payable	6,348	6,351	(0%)
Retirement Benefit Liability	113,276	109,412	4%
Other Liabilities - Non Financial	233,603	99,580	135%
Total Liabilities	127,229,944	127,326,536	(0%)
Shareholders' Funds			
Stated Capital	11,348,821	11,348,821	-
Statutory Reserve Fund	197,102	197,102	-
Revaluation Reserve	1,008,277	1,008,277	-
Fair Value Reserve	52,982	85,393	(38%)
Retained Earnings	2,141,152	1,721,762	24%
Total Equity	14,748,334	14,361,355	3%
Total Liabilities and Shareholders' Funds	141,978,278	141,687,891	0%
Net Asset Value per Ordinary Share	5.30	5.16	
Commitments and Contingencies	33,548,328	34,188,931	
Memorandum Information			
Number of Employees	840	777	
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
10 August 2023

We, the undersigned, being Directors 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
10 August 2023

Sgd.

Mohamed Azmeer

Managing Director / Chief Executive Officer
10 August 2023

STATEMENT OF CHANGES IN EQUITY
RUPEES IN THOUSANDS

	Stated Capital	Statutory Reserve Fund	Revaluation Reserve	Fair Value Reserve	Retained Earnings	Total
As at 31 December 2021 (Audited)	11,079,706	157,693	1,076,688	98,898	1,225,549	13,638,534
Profit for the six months ended 30 June 2022	-	-	-	-	362,016	362,016
Total Comprehensive Income for the six months ended 30 June 2022	-	-	-	(81,028)	-	(81,028)
As at 30 June 2022	11,079,706	157,693	1,076,688	17,870	1,587,565	13,919,522
Profit for the six months ended 31 December 2022	-	-	-	-	426,161	426,161
Other Comprehensive Income for the six months ended 31 December 2022	-	-	(67,325)	67,523	15,679	15,877
Scrip Dividend - 2022	269,115	-	-	-	(269,115)	-
Share Issue Expenses	-	-	-	-	(205)	(205)
Transfers to Statutory Reserve Fund	-	39,409	-	-	(39,409)	-
Transferred to Retained Earnings	-	-	(1,086)	-	1,086	-
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

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED

	FOR THE QUARTER ENDED 30 JUNE	
	2023 (Rs. '000)	2022 (Rs. '000)
Cash Flows from Operating Activities		
Financing Income Received	9,849,909	5,190,262
Fees and Commission Received	474,262	424,456
Financing Expenses Paid	4,474,856	(2,579,859)
Foreign Exchange Income	622,892	285,277
Gratuity Payments Made	(11,704)	(11,911)
Payments to Employees and Suppliers	(2,004,537)	(1,470,251)
Operating Profit/(Loss) before Changes in Operating Assets and Liabilities	13,405,678	1,837,974
(Increase) / Decrease in Operating Assets		
Financing and Receivable to Other Customers	1,775,975	(4,024,079)
Other Assets	(625,041)	(633,531)
Balance with Central Bank of Sri Lanka	(5,561,852)	(7,529,585)
Increase / (Decrease) in Operating Liabilities		
Due to Other Customers	525,544	7,239,577
Due to Banks	(11,416,815)	8,794,720
Other Liabilities	729,256	(295,230)
Net Cash Flow from Operating Activities before Income Tax	(1,167,255)	5,389,846
Income Tax Paid	(300,440)	(178,286)
Net Cash From / (Used In) Operating Activities	(1,467,695)	5,211,560
Cash Flows From/(Used In) Investing Activities		
Acquisition of Property, Plant & Equipment	(52,451)	(1,281)
Proceeds from Sale of Property, Plant and Equipment	-	-
Acquisition of Intangible Assets	(154)	(17,625)
Investments in Placements with Banks	(981,316)	149,998
Investments in Placements with Licensed Finance Companies	(2)	(2)
Financial Assets Recognised through Profit or Loss - Measured at Fair Value	15,951	(13,000)
Dividend Received from Financial Assets	1,494	2,928
Net Cash From / (Used In) Investing Activities	(1,016,478)	121,018
Cash Flows From / (Used In) Financing Activities		
Share Issue Expenses	(205)	-
Dividend Paid	(3)	(7)
Net Cash From / (Used In) Financing Activities	(208)	(7)
Net Increase / (Decrease) in Cash and Cash Equivalents	(2,484,381)	5,332,571
Cash and Cash Equivalents at the Beginning of the Year	22,607,924	8,674,644
Cash and Cash Equivalents at the End of the Period - Gross of Allowance for Impairment	20,123,543	14,007,215

CASH AND CASH EQUIVALENTS

	2023 (Rs. '000)	2022 (Rs. '000)
Cash in Hand	16,401,853	9,281,985
Balances with Banks	3,721,690	4,725,230
	20,123,543	14,007,215
Less: Allowance for Impairment	(3,899)	(1,267)
Total	20,119,644	14,005,948

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.

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 30.6.2023
Financial Assets				
Cash and Cash Equivalents	-	20,119,644	-	20,119,644
Balances with Central Bank of Sri Lanka	-	10,647,531	-	10,647,531
Placements with Banks	-	24,449,153	-	24,449,153
Placements with Licensed Finance Companies	-	79	-	79
Derivative Financial Assets	52,510	-	-	52,510
Financial Assets Designated at Fair Value through Profit or Loss	54,305	-	-	54,305
Financial Assets at Amortised Cost - Financing and Receivables to Other Customers	-	79,984,176	-	79,984,176
Financial Assets measured at Fair Value through Other Comprehensive Income	-	-	300,094	300,094
Other Assets - Financial	-	2,780,437	-	2,780,437
Total Financial Assets	106,815	137,981,020	300,094	138,387,929
Financial Liabilities				
Due to Banks	-	439,908	-	439,908
Derivative Financial Liabilities	254,229	-	-	254,229
Financial Liabilities at Amortised Cost - Due to Depositors	-	122,919,153	-	122,919,153
Other Liabilities - Financial	-	2,532,621	-	2,532,621
Total Financial Liabilities	254,229	125,891,682	-	126,145,911

	FAIR VALUE THROUGH PROFIT OR LOSS	AMORTIZED COST	FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	TOTAL AS AT 31.12.2022 (AUDITED)
Financial Assets				
Cash and Cash Equivalents	-	22,603,294	-	22,603,294
Balances with Central Bank of Sri Lanka	-	5,085,679	-	5,085,679
Placements with Banks	-	24,570,292	-	24,570,292
Placements with Licensed Finance Companies	-	77	-	77
Derivative Financial Assets	70,733	-	-	70,733
Financial Assets Designated at Fair Value through Profit or Loss	59,561	-	-	59,561
Financial Assets at Amortised Cost - Financing and Receivables to Other Customers	-	83,185,917	-	83,185,917
Financial Assets measured at Fair Value through Other Comprehensive Income	-	-	332,505	332,505
Other Assets - Financial	-	2,323,566	-	2,323,566
Total Financial Assets	130,294	137,768,825	332,505	138,231,624
Financial Liabilities				
Due to Banks	-	11,856,723	-	11,856,723
Derivative Financial Liabilities	20,880	-	-	20,880
Financial Liabilities at Amortised Cost - Due to Depositors	-	112,546,017	-	112,546,017
Other Liabilities - Financial	-	2,041,967	-	2,041,967
Total Financial Liabilities	20,880	126,444,707	-	126,465,587

02. FINANCING AND RECEIVABLES TO OTHER CUSTOMERS

RUPEES IN THOUSANDS

ANALYSIS OF FINANCING AND RECEIVABLES TO OTHER CUSTOMERS	30.6.2023	31.12.2022 (AUDITED)
Gross Financing and Receivables to Other Customers	85,336,533	87,105,788
Accumulated Impairment		
Stage 1	(1,019,371)	(980,928)
Stage 2	(2,163,772)	(1,711,996)
Stage 3	(2,169,214)	(1,226,947)
Net Financing and Receivables to Other Customers	79,984,176	83,185,917

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	
	30.6.2023	31.12.2022 (AUDITED)
Overdraft	7,534,628	6,438,293
Trade Finance	439,413	798,553
Lease Receivables	3,986,326	4,189,836
Staff Facilities	807,979	826,907
Term Financing	53,969,244	56,982,012
Gold Facilities	12,388,297	12,741,591
Others	358,673	538,730
Sub Total	79,484,560	82,515,922
By Product - Foreign Currency		
Overdraft	30,918	36,984
Term Financing	5,672,724	4,502,467
Trade Finance	1,269	45,592
Others	147,062	4,823
Sub Total	5,851,973	4,589,866
Total	85,336,533	87,105,788

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 2023 under SLFRS 9	980,929	1,711,995	1,226,947	3,919,871
Charge/(Write Back) for the year	38,442	451,777	942,267	1,432,486
Amounts written off	-	-	-	-
As at 30 June 2023	1,019,371	2,163,772	2,169,214	5,352,357

	RUPEES IN THOUSANDS			
	STAGE 1	STAGE 2	STAGE 3	TOTAL IMPAIRMENT (AUDITED)
ECL allowance as at 1 January 2022 under SLFRS 9	876,662	602,428	890,493	2,369,583
Charge/(Write Back) for the year	104,267	1,109,567	340,499	1,554,333
Amounts written off	-	-	(4,045)	(4,045)
As at 31 December 2022	980,929	1,711,995	1,226,947	3,919,871

NOTES TO THE FINANCIAL STATEMENTS

04. COMMITMENTS AND CONTINGENCIES

ANALYSIS OF COMMITMENTS AND CONTINGENCIES	RUPEES IN THOUSANDS	
	30.6.2023	31.12.2022 (AUDITED)
Gross Commitments and Contingencies	33,548,328	34,188,931
Accumulated Impairment		
Stage 1	(57,379)	(61,469)
Stage 2	(29,424)	(25,480)
Stage 3	(5,728)	(7,669)
Net Financing and Receivables to Other Customers	33,455,797	34,094,313

FINANCING AND RECEIVABLES TO OTHER CUSTOMERS - BY PRODUCT

	RUPEES IN THOUSANDS	
	30.6.2023	31.12.2022 (AUDITED)
Commitments for Unutilised Facilities	7,489,779	8,478,680
Letters of Credit	1,517,074	495,549
Guarantees, Bonds	5,350,597	4,888,624
Outward Clearing Cheques	475,843	902,611
Acceptances	2,747,893	3,410,237
Bills for Collection and Others	2,207,142	2,177,202
Promissory Forward Sales	13,120,000	4,693,278
Promissory Forward Purchases	640,000	9,142,750
Total	33,548,328	34,188,931

05. DUE TO OTHER CUSTOMERS - BY PRODUCT

ANALYSIS OF DEPOSITS	RUPEES IN THOUSANDS	
	30.6.2023	31.12.2022 (AUDITED)
By Product - Domestic Currency		
Demand Deposits	8,662,014	6,560,096
Savings Deposits	36,926,452	33,531,546
Time Deposits	55,472,368	45,487,820
Sub Total	101,060,834	85,579,462
By Product - Foreign Currency		
Demand Deposits	1,095,310	1,723,386
Savings Deposits	4,491,518	6,062,621
Time Deposits	16,271,491	19,180,548
Sub Total	21,858,319	26,966,555
Total	122,919,153	112,546,017

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 2023				
Financial Assets				
Derivative Financial Assets	-	52,510	-	52,510
Financial Assets Designated at Fair Value through Profit or Loss	54,305	-	-	54,305
Income	297,101	-	2,993	300,094
	351,406	52,510	2,993	406,909
Financial Liabilities				
Derivative Financial Liabilities	-	254,229	-	254,229
	-	254,229	-	254,229

	RUPEES IN THOUSANDS			
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL (AUDITED)
As at 31 December 2022				
Financial Assets				
Derivative Financial Assets	-	70,733	-	70,733
Financial Assets Designated at Fair Value through Profit or Loss	59,561	-	-	59,561
Income	329,512	-	2,993	332,505
	389,073	70,733	2,993	462,799
Financial Liabilities				
Derivative Financial Liabilities	-	20,880	-	783,200
	-	20,880	-	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.

	30.6.2023		31.12.2022	
	CARRYING VALUE	FAIR VALUE	CARRYING VALUE (AUDITED)	FAIR VALUE (AUDITED)
Financial Assets				
Cash and Cash Equivalents	20,119,644	20,119,644	22,603,294	22,603,294
Balance with Central Bank of Sri Lanka	10,647,531	10,647,531	5,085,679	5,085,679
Placements with Banks	24,449,153	24,449,153	24,570,292	24,573,057
Placements with Other Companies	79	79	77	77
Customers	79,984,176	75,575,041	83,185,917	79,698,416
Other Assets - Financial	2,780,437	2,780,437	2,323,566	2,323,566
	137,981,020	133,571,885	137,768,825	134,284,089
Financial Liabilities				
Due to Banks	439,908	439,908	11,856,723	11,856,723
Financial Liabilities at Amortised Cost - Due to Depositors	122,919,153	122,919,153	112,546,017	112,546,017
Other Liabilities - Financial	2,532,621	2,532,621	2,041,967	2,041,967
	125,891,682	125,891,682	126,444,707	126,444,707

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.

NOTES TO THE FINANCIAL STATEMENTS

07. SELECTED PERFORMANCE INDICATORS (AS PER REGULATORY REPORTING)

	AS AT 30.6.2023	AS AT 31.12.2022 (AUDITED)
Regulatory Capital (Rs. '000)		
Common Equity Tier 1 *	12,400,060	12,336,541
Tier 1 Capital	12,400,060	12,336,541
Total Capital	15,294,669	14,960,985
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (Minimum Requirement 7.0%)	12.5%	13.0%
Tier I Capital Ratio (Minimum Requirement 8.5%)	12.5%	13.0%
Total Capital Ratio (Minimum Requirement 12.5%)	15.4%	15.8%
Leverage Ratio % (Minimum Requirement 3%)	8.3%	7.4%
Assets Quality (Quality of Financing and Advance Portfolio)		
Impaired Financing and Advances (Stage 3) Ratio (%)	2.2%	2.1%
Impairment (Stage 3) to Stage 3 Financing and Advances Ratio (%)	52.0%	37.9%
Profitability		
Financing Margin (%)	4.8%	3.6%
Return on Assets (Before Tax)	1.1%	0.9%
Return on Equity	5.8%	5.6%
Regulatory Liquidity		
Statutory Liquid Assets		
- Domestic Banking Unit (Rs. in Millions)	41,813	35,744
- Foreign Currency Banking Unit (USD '000)	2,320	1,581
Statutory Liquid Assets Ratio % (Minimum Requirement 20%)		
- Consolidated	33.0%	28.3%
Total Stock of High Quality Liquid Assets (Rs. in Millions)	13,447	8,256
Liquidity Coverage Ratio (%) (Minimum Requirement 100%)		
- Rupee (%)	299.4%	150.3%
- All Currency (%)	242.0%	126.5%
Net Stable Funding Ratio (%) (Minimum Requirement 100%)	175.8%	187.8%

* This represents Common Equity Tier 1 (CET1) Capital after applicable adjustments. The CET1 Capital before adjustments is as follows:

- 30.6.2023 (Rs. '000)	13,267,685
- 31.12.2022 (Rs. '000)	13,267,685

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 2023	CONSUMER BANKING	BUSINESS BANKING	TOTAL BANKING	TREASURY	RUPEES IN THOUSANDS	
					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			(1,432,486)		(3,986)	(1,436,472)
Operating Expenses			(1,264,208)	(523,743)	(18,060)	(1,806,012)
Operating Profit Before VAT on FS & SSCL			153,564	1,129,807	(52,523)	1,230,847
VAT on FS & SSCL						(427,998)
Profit Before Tax						802,849
Tax Expenses						(383,254)
Profit After Tax						419,595

Total Assets	23,529,174	56,455,002	79,984,176	44,621,386	17,372,716	141,978,278
Total Liabilities	92,009,594	30,909,559	122,919,153	554,537	3,756,254	127,229,944

FOR THE PERIOD ENDED 30 JUNE 2022	CONSUMER BANKING	BUSINESS BANKING	TOTAL BANKING	TREASURY	UNALLOCATED / ELIMINATION	RUPEES IN THOUSANDS TOTAL
Income						
Financing Income	1,344,925	2,665,350	4,010,275	841,970	-	4,852,245
Net Fee and Commission Income	120,527	154,621	275,148	9,303	826	285,277
Net Trading Income	-	-	-	424,602	-	424,602
Net Gains / (Losses) from Financial Investments at Fair Value Through Profit or Loss	-	-	-	(26,755)	-	(26,755)
Net Gains / (Losses) from Derecognition of Financial Assets	-	-	-	(146)	-	(146)
Other Operating Income	-	-	-	2,928	-	2,928
Total Income	1,465,452	2,819,971	4,285,423	1,251,902	826	5,538,151
Less						
Financing Expenses			(2,368,444)	(460,601)	(19,994)	(2,849,039)
Impairment Charges			(337,551)	(402)	(156,455)	(494,408)
Operating Expenses			(989,609)	(407,130)	(16,285)	(1,413,024)
Operating Profit Before VAT on FS			589,819	383,769	(191,908)	781,680
VAT on FS						(224,733)
Profit Before Tax						556,947
Tax Expenses						(194,931)
Profit After Tax						362,016

Total Assets	26,166,246	60,562,037	86,728,283	43,341,829	9,501,060	139,571,172
Total Liabilities	83,073,663	22,907,192	105,980,855	16,261,425	3,512,543	125,754,823

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 2022.
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 2022.
4. 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:

On 17 June 2023, the Board of Directors declared an interim scrip dividend of Rs. 0.12 per share for the financial year 2023. 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. The interim scrip dividend was credited to respective shareholders' CDS accounts in July 2023.

On 11 July 2023, the Board of Directors unanimously resolved to increase the Bank's Stated Capital by Rs. 6,675,214,939.50 by issuing 2,902,267,365 Ordinary Shares at Rs. 2.30 per share by way of a Rights Issue. The proportion will be one new ordinary share for every one ordinary share held.

5. In 2023, the Bank launched its first ever Employee Share Option Plan (ESOP) in which employees will be granted an option of 83,518,485 shares over period of 3 years, which was approved by the shareholders at an Extra General Meeting.
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 2022
8. Market Price of Ordinary Shares (the Bank listed its ordinary shares on the Colombo Stock Exchange on 29 January 2014) :

	2023 Rs.	2022 Rs.
Last Traded Price as at 30 June	2.60	2.60
Highest Market Price during the quarter ended 30 June	2.70	3.50
Lowest Market Price during the quarter ended 30 June	2.30	2.10

EXPLANATORY NOTES

09. TWENTY LARGEST SHAREHOLDERS AS AT 30 JUNE 2023

No	Name of Shareholder	No. of Shares	%
1	IB Growth Fund (Labuan) LLP	658,404,057	23.65%
2	Seylan Bank PLC/Senthilvel Holdings (Pvt) Ltd	278,394,951	10.00%
3	Mr. Mohamed Haji Omar	237,085,306	8.52%
4	Bank Islam Malaysia Berhad	200,958,432	7.22%
5	AB Bank Limited	200,958,431	7.22%
6	Islamic Development Bank	175,916,532	6.32%
7	Akbar Brothers (Pvt) Ltd A/c No 1	175,563,158	6.31%
8	Domon Ltd	111,021,549	3.99%
9	Millennium Capital Investments (Pte) Ltd	78,063,626	2.80%
10	Mr. Shafik Kassim	64,452,364	2.32%
11	Mr. Osman Kassim jointly with Mrs. K. Kassim	50,923,378	1.83%
12	Mr. Sattar Kassim	50,685,110	1.82%
13	Mr. Nagi Saleh Mohammed Al Faqih	41,607,591	1.49%
14	Mr. Sathiyamurthy Chandramohan	33,388,821	1.20%
15	Hatton National Bank PLC/Almas Holdings (Pvt) Ltd	23,300,000	0.84%
16	Mr. Saifullah Yusoof	18,500,000	0.66%
17	Mr. Ahamed Mihilar Mohamed Fazal Jiffry	15,897,752	0.57%
18	ABC International Limited	13,266,490	0.48%
19	Mr. Feroz Omar	11,400,000	0.41%
20	Abdul Majeed Mohamedu Risvi	8,429,253	0.30%
Sub total		2,448,216,801	87.94%
Other Shareholders (Number of Shareholders 8,959)		335,732,710	12.06%
Total		2,783,949,511	100.00%

Percentage of Public Holding as at 30 June 2023	32.45%
Number of Shareholders	8,959
Float adjusted market capitalisation	Rs 2.26 Bn

Bank complies with the minimum public holding requirement under option 5 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 2023

Name	No. of Shares
Mr. Ali Asghar Akbarally	Nil
Mr. Dilshan Hettiaratchi	Nil
Mr. Aaron Russell-Davison	Nil
Mr. M Ataur Rahman Chowdhury	Nil
Mr. S M Asim Raza	Nil
Mr. Tishan Subasinghe	Nil
Mr. Omar Farook Kassim	Nil
Mr. Mohamed Adamaly	Nil
Mr. Mohamed Azmeer	556,478
Mr. Mohammad Hassan	Nil
Mr. K M P B Abdullah	Nil