

FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2020

AAA / STABLE / P1
 RAM Ratings

STATEMENT OF FINANCIAL POSITION

As at

	BANK (Rs.'000)		GROUP (RM.'000)	
	30-June-2020	31-December-2019	30-June-2020	31-December-2019
ASSETS				
Cash and cash equivalents	506,374	547,140	20,866,339	14,075,699
Statutory deposit with Central Bank of Sri Lanka / other Central Banks	19,613	75,026	1,292,630	10,044,185
Reverse repurchases agreements	-	364,067	479,462	8,208
Derivative financial instruments	-	-	192,511	152,330
Financial assets at fair value through profit or loss	-	-	2,063,288	4,210,265
Financial investments at fair value through other comprehensive income	22,080	22,080	45,085,771	40,153,493
Loans, advances and financing	7,226,282	6,962,669	332,516,076	328,476,494
Financial investments at amortized cost	2,004,754	1,508,595	29,027,301	27,638,168
Investments in Associated Companies	-	-	77,698	75,080
Property and Equipment	87,596	100,819	1,133,934	1,142,575
Right-of-use assets	179,808	190,627	1,426,214	1,427,160
Investment properties	-	-	757,302	753,095
Intangible assets	87,812	109,419	2,514,955	2,443,039
Deferred Tax Assets	21,221	21,221	73,203	83,484
Other Assets	56,013	129,726	3,128,562	2,147,400
TOTAL ASSETS	10,211,553	10,031,389	440,635,246	432,830,675
LIABILITIES				
Deposits from banks	57,497	413,124	8,450,930	8,494,073
Deposits from customers	3,314,508	2,931,288	359,961,601	353,340,475
Obligations on securities sold under repurchase agreements	-	-	554,211	970,654
Derivative financial instruments	-	-	493,898	345,724
Other Borrowings	-	-	5,711,431	5,734,790
Debt securities issued and other borrowed funds	-	-	12,456,847	12,317,450
Current Tax Liabilities	41,650	47,128	591,042	540,107
Retirement Benefit Obligation	32,043	28,605	-	-
Deferred Tax Liabilities	-	-	81,098	56,993
Lease liabilities	188,158	186,096	1,082,742	1,087,808
Other Liabilities	184,944	131,107	5,327,493	5,196,397
TOTAL LIABILITIES	3,818,800	3,737,348	394,711,293	388,084,471
Equity				
Share capital/Assigned capital	3,792,318	3,792,318	9,417,653	9,417,653
Statutory reserve fund	113,312	113,312	45,130	44,878
Retained earnings	2,221,020	2,137,223	31,365,081	30,552,967
Total other reserves	266,103	251,188	3,870,694	3,578,832
Equity attributable to equity holders of the Bank	6,392,753	6,294,041	44,698,558	43,594,330
Non-controlling Interests	-	-	1,225,395	1,151,874
Total Equity	6,392,753	6,294,041	45,923,953	44,746,204
TOTAL LIABILITIES AND EQUITY	10,211,553	10,031,389	440,635,246	432,830,675
Contingent liabilities and commitments				
Contingencies	1,759,476	2,429,958	101,674,809	94,315,048
Commitments	472,569	536,495	3,029,424	3,263,448
Derivative financial instruments	1,286,907	1,893,463	66,183,990	59,451,227
			32,461,395	31,600,373
Memorandum Information				
Number of Employees	65	62	19,255	19,260
Number of Branches	3	3	269	269

STATEMENT OF PROFIT OR LOSS

	BANK (Rs.'000)		GROUP (RM.'000)	
	For the period ended 30 June 2020	For the period ended 30 June 2019	For the period ended 30 June 2020	For the period ended 30 June 2019
Interest Income	484,813	509,397	7,342,746	8,120,758
Less: Interest Expenses	110,504	95,221	4,007,783	4,456,700
Net Interest Income	374,309	414,176	3,334,963	3,664,058
Net Income From Islamic Banking Business	-	-	541,465	609,722
Net Interest Income and net Income from Islamic Banking Business	374,309	414,176	3,876,428	4,273,780
Fee and Commission Income	10,199	11,085	1,213,573	1,260,213
Less : Fee and Commission Expenses	3,544	3,217	355,371	380,225
Net Fee and Commission Income	6,655	7,868	858,202	879,988
Net Trading Income	8,517	8,499	117,766	138,034
Other Operating Income	2,174	3,927	343,197	201,670
Total Operating Income	391,655	434,470	5,195,593	5,493,472
(Allowance)/ Writeback of allowance for impairment on loans, advances and financing	(9,495)	(9,515)	(328,065)	(175,607)
Expected credit losses	-	-	112,972	113,619
Impaired loans and financing recovered	-	-	(32)	(16)
Impaired loans and financing written off	-	-	(4,844)	(1,202)
Others - net	-	-	-	-
Net Operating Income	382,160	424,955	4,975,624	5,430,266
Personnel Expenses	86,823	71,955	1,425,220	1,351,919
Depreciation and amortization	45,918	11,244	182,438	170,275
Premises, Equipment and establishment Expenses	58,514	59,446	179,594	176,982
Other Overhead Expenses	24,721	23,236	182,343	182,207
Operating Profit before VAT, NBT on financial service and Debt Repayment Levy	166,184	259,074	3,006,029	3,548,883
Value Added Tax (VAT) on Financial Services	33,659	42,476	-	-
National Building Tax (NBT) on Financial Services	-	5,214	-	-
Debt Repayment Levy (DRL)	661	21,853	-	-
Operating Profit after VAT, NBT on financial service and Debt Repayment Levy	131,884	189,531	3,006,029	3,548,883
Shares of profit / (loss) after tax of equity accounted associated companies	-	-	1,489	951
Profit before Tax	131,884	189,531	3,007,518	3,549,834
Income Tax expenses	48,067	77,587	653,976	769,429
Profit for the period	83,797	111,944	2,353,542	2,780,405
Attributable to:				
Equity Holders of the Parent	83,797	111,944	2,330,911	2,743,039
Non-Controlling Interest	-	-	22,631	37,366
	83,797	111,944	2,353,542	2,780,405
Earnings per RM 1.00 share: - basic / diluted (sen)	-	-	60.0	70.7

LOANS, ADVANCES AND FINANCING	Bank (Rs.'000)		Group (RM.'000)		MOVEMENT IN EXPECTED CREDIT LOSSES DURING THE PERIOD / YEAR FOR LOANS, ADVANCES AND FINANCING	Bank (Rs.'000)		Group (RM.'000)		DEPOSITS FROM CUSTOMERS - BY PRODUCT	Bank (Rs.'000)		Group (RM.'000)	
	As at	30-June-2020	31-December-2019	30-June-2020		31-December-2019	As at	30-June-2020	31-December-2019		30-June-2020	31-December-2019	As at	30-June-2020
Gross loans, advances and financing at amortised cost	7,318,446	7,045,296	334,622,536	330,468,441	Opening balance at 01 January	82,627	77,502	1,991,947	2,042,413	Demand deposits	366,911	327,696	54,067,622	51,106,160
Less : Allowances for impairment	-	-	-	-	Loans, advances and financing derecognised (other than write-off)	-	-	(67,955)	(165,363)	Savings deposits	253,893	647,520	42,674,410	37,733,184
Expected credit losses	(20,380)	(20,379)	(1,135,750)	(970,934)	New loans, advances and financing originated	-	-	63,003	301,580	Fixed deposits	2,666,374	1,949,067	204,765,828	205,806,430
- stage 1	(11,132)	(9,237)	(641,256)	(649,912)	Net remeasurement due to changes in credit risk	-	-	328,833	302,693	Negotiable instruments of deposit	-	-	-	22,979
- stage 2	(6,652)	(53,011)	(329,454)	(371,101)	Modifications to contractual cash flows	-	-	(1,314)	8,728	Call deposits	2,000	2,000	-	-
- stage 3	-	-	-	-	Changes in models / risk parameters	9,495	5,142	(217,994)	(22,909)	Money market deposits	-	-	58,416,322	58,610,421
Net loans, advances and financing receivables	7,226,282	6,962,669	332,516,076	328,476,494	Amounts transferred to allowances for impairment loss on foreclosed properties	-	-	(179)	(2,319)	Other deposits	25,330	5,005	37,419	61,301
					Exchange difference	42	(17)	10,119	(2,707)	Total	3,314,508	2,931,288	359,961,601	353,340,475
					Closing balance	92,164	82,627	2,106,460	1,991,947					

STATEMENT OF CHANGES IN EQUITY AND RESERVES (BANK) (RS. '000)

For the period ended 30 June 2020

	Stated Capital / Assigned capital				Reserves			
	Ordinary Voting Shares	Ordinary Non-Voting Shares	Assigned Capital	Statutory Reserve Fund	FCBU Revaluation Reserve	Other reserves	Retained Earnings	Total Equity
At 01 January 2020	-	-	3,792,318	113,312	232,138	119,050	2,137,223	6,294,041
Profit for the period	-	-	-	-	-	-	83,797	83,797
Actuarial gain on defined benefit plans	-	-	-	-	-	-	-	-
Gain on translation of FCBU	-	-	-	-	14,915	-	-	14,915
Deferred tax expense on other comprehensive income	-	-	-	-	-	-	-	-
Net Change in fair value of equity instruments	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	14,915	-	83,797	98,712
Transactions with equity holders, recognised directly in equity:								
Transfer to Statutory Reserve Fund	-	-	-	-	-	-	-	-
Total transactions recorded directly in equity	-	-	-	-	-	-	-	-
Balance as at 30 June 2020 (Closing Balance)	-	-	3,792,318	113,312	247,053	119,050	2,221,020	6,392,753

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2020

	BANK (Rs.'000)		BANK (Rs.'000)		GROUP (RM.'000)		GROUP (RM.'000)	
	For the period ended 30 June 2020	For the period ended 30 June 2019	For the period ended 30 June 2020	For the period ended 30 June 2019	For the period ended 30 June 2020	For the period ended 30 June 2019	For the period ended 30 June 2020	For the period ended 30 June 2019
Cash flows from Operating activities								
Profit Before Income Tax	131,863	189,531	3,007,518	3,549,834				
Adjustment for:								
Depreciation and amortisation	35,099	11,244	182,438	170,275				
Allowance for impairment on loans and advances	9,495	9,515	328,065	175,607				
Share of profit after tax of equity accounted associated companies	-	-	(1,489)	(951)				
Provision for retirement benefits	3,438	3,438	-	-				
Dividend income	-	-	(350)	(1,125)				
Net gains on financial instruments	-	-	(265,999)	(97,211)				
Allowances for impairment on other assets	-	-	4,844	1,202				
Other non-cash items	-	-	5,721	(37,439)				
Operating profit before working capital changes	179,895	213,728	3,260,748	3,760,192				
Decrease in statutory deposits with Central Banks	55,413	44,752	4,624,206	(9,418,194)				
(Increase) / Decrease in operating assets	(188,175)	111,438	6,013,639	5,968,373				
Increase in operating liabilities	83,493	38,739	13,898,593	310,371				
Income tax expenses and zakat paid	(53,545)	(67,311)	(614,001)	(610,384)				
Gratuity paid	-	(1,279)	-	-				
Net cash generated from / (used in) operating activities	77,081	340,070	13,284,592	(300,013)				
Cash flows from investing activities								
Net (Purchase) of Sri Lanka Government Securities	(132,092)	(174,967)	(78,418)	(87,640)				
Acquisition of property and equipment	(210)	(38,891)	(219)	-				
Addition to investment properties	-	-	5,599	16,367				
Proceeds from the sale of property and equipment	(59)	(2,196)	-	-				
Acquisition of intangible assets	-	-	(5,566,105)	4,536,134				
Net (Purchase) / sale of financial investments	-	-	350	1,125				
Dividends received	-	-	-	-				
Net cash (used in) / generated from investing activities	(132,361)	(216,054)	(5,638,793)	4,465,986				
Cash flows from financing activities								
Dividends paid	-	-	(1,557,726)	(1,444,177)				
Net drawdown of borrowings	-	-	840	749				
Redemption of lease liabilities	-	-	(67,793)	(62,798)				
Repayment of debt securities	-	-	-	(2,700,000)				