



**AMÃNA BANK PLC (PB 3618 PQ)**

**FINANCIAL STATEMENTS**

**31 MARCH 2018**

AMÁNA BANK PLC (PB 3618 PQ)  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE PERIOD ENDED 31 MARCH 2018**

	RUPEES IN THOUSANDS		Change %
	FOR THE THREE MONTHS ENDED 31 MARCH		
	2018	2017	
Financing Income	1,569,025	1,217,891	28.8
Financing Expenses	(777,715)	(655,433)	18.7
<b>Net Financing Income</b>	<b>791,310</b>	<b>562,458</b>	<b>40.7</b>
Net Fee and Commission Income	71,762	57,928	23.9
Net Gain/(Loss) from Trading	97,733	74,940	30.4
Net Gain/(Loss) from Financial Instruments Designated at Fair Value Through Profit or Loss	-	-	0.0
Net Gain/(Loss) from Financial Investments	-	-	0.0
Net Other Operating Income	1,241	1,122	10.6
<b>Total Operating Income</b>	<b>962,046</b>	<b>696,449</b>	<b>38.1</b>
<b>Impairment for Financing and Receivables to Other Customers and Other Losses</b>			
Individual Impairment	5,631	(6,955)	(181.0)
Collective Impairment	(109,736)	(9,994)	998.0
Others	-	-	0.0
<b>Net Operating Income</b>	<b>857,941</b>	<b>679,499</b>	<b>26.3</b>
Personnel Expenses	299,122	276,115	8.3
Depreciation of Property, Plant and Equipment	30,895	37,280	(17.1)
Amortisation of Intangible Assets	14,853	13,176	12.7
Other Operating Expenses	190,039	178,365	6.5
<b>Total Operating Expenses</b>	<b>534,909</b>	<b>504,936</b>	<b>5.9</b>
<b>Operating Profit Before Value Added Tax and Nation Building Tax on Financial Services</b>	<b>323,032</b>	<b>174,563</b>	<b>85.1</b>
Value Added Tax and Nation Building Tax on Financial Services	(96,910)	(82,042)	18.1
<b>Profit Before Tax</b>	<b>226,122</b>	<b>92,521</b>	<b>144.4</b>
Tax (Expenses)/Reversal	(63,314)	(25,906)	144.4
<b>Profit for the Period</b>	<b>162,808</b>	<b>66,615</b>	<b>144.4</b>
<b>Earnings Per Share - Basic / Diluted</b>	<b>0.07</b>	<b>0.05</b>	<b>22.2</b>

**AMANA BANK PLC (PB 3618 PQ)**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 31 MARCH 2018**

	RUPEES IN THOUSANDS		Change %
	FOR THE THREE MONTHS ENDED 31 MARCH		
	2018	2017	
<b>Profit for the Period</b>	<b>162,808</b>	<b>66,616</b>	<b>144.4</b>
<b>Other Comprehensive Income/(Loss)</b>			
<b>Other Comprehensive Income to be reclassified to Profit or Loss :</b>			
Financial Investment - Available for Sale:			
Net Gain/(Loss) on Financial Investments - Available for sale	(27,009)	(30,046)	(10.1)
<b>Net Other Comprehensive Income to be reclassified to Profit or Loss</b>	<b>(27,009)</b>	<b>(30,046)</b>	<b>10.1</b>
<b>Other Comprehensive Income not to be reclassified to Profit or Loss :</b>			
Re-measurement gain /(loss) on defined benefit plans	-	-	0.0
Deferred tax effect on defined benefit plans	-	-	0.0
<b>Net Other Comprehensive Income not to be reclassified to Profit or Loss</b>	<b>-</b>	<b>-</b>	<b>0.0</b>
<b>Other Comprehensive Income/(Loss) for the Period Net of Tax</b>	<b>(27,009)</b>	<b>(30,046)</b>	<b>(10.1)</b>
<b>Total Comprehensive Income for the Period Net of Tax</b>	<b>135,799</b>	<b>36,570</b>	<b>271.3</b>

**AMANA BANK PLC (PB 3618 PQ)**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2018**

	RUPEES IN THOUSANDS		Change %
	AS AT 31.03.2018	AS AT 31.12.2017 (AUDITED)	
<b>Assets</b>			
Cash and Cash Equivalents	5,236,116	5,859,767	(10.6)
Balances with Central Bank of Sri Lanka	3,073,917	4,127,812	(25.5)
Derivative Financial Assets	111,357	127,617	(12.7)
Placements with Banks	6,208,084	5,285,796	17.4
Placements with Licensed Finance Companies	4,366,077	2,112,166	107
Financial Investments - Held for Trading	41,374	41,646	(0.7)
Financial Assets Designated at Fair Value through Profit or Loss	-	-	0.0
Financing and Receivables to Banks	-	-	0.0
Financing and Receivables to Other Customers	44,840,328	42,914,144	4.5
Financial Investments - Available for Sale	291,328	323,265	(9.9)
Financial Investments - Held to Maturity	-	-	0.0
Other Financial Assets	438,427	388,890	12.7
Other Non Financial Assets	432,147	333,169	29.7
Property, Plant and Equipment	1,786,021	1,795,136	(0.5)
Intangible Assets	215,823	230,676	(6.4)
Deferred Tax Assets	-	-	0.0
<b>Total Assets</b>	<b>67,040,999</b>	<b>63,540,083</b>	<b>5.5</b>
<b>Liabilities</b>			
Due to Banks	967,111	-	0.0
Derivative Financial Liabilities	47,392	29,924	58.4
Other Financial Liabilities - Held for Trading	-	-	0.0
Financial Liabilities Designated at Fair Value through Profit or Loss	-	-	0.0
Due to Other Customers	53,174,051	50,922,561	4.4
Other Financing	-	-	0.0
Securities Issued	-	-	0.0
Other Financial Liabilities	722,305	680,471	6.1
Current tax liabilities	250,390	187,075	33.8
Other Non Financial Liabilities	90,186	70,766	27.4
Deferred Tax Liability	216,242	216,242	0.0
Subordinated Term Financing	-	-	0.0
Retirement Benefit Liability	123,721	119,241	3.8
<b>Total Liabilities</b>	<b>55,591,397</b>	<b>52,226,280</b>	<b>6.4</b>
<b>Shareholders' Funds</b>			
Stated Capital	10,619,450	10,619,450	0.0
Statutory Reserve Fund	42,405	42,405	0.0
Revaluation Reserves	820,718	820,718	0.0
Other Reserves	(55,041)	(28,032)	(96.4)
Retained Earnings	22,070	(140,738)	115.7
<b>Total Equity</b>	<b>11,449,602</b>	<b>11,313,803</b>	<b>1.2</b>
<b>Total Liabilities and Shareholders' Funds</b>	<b>67,040,999</b>	<b>63,540,083</b>	<b>5.5</b>
<b>Net Asset Value per Ordinary Share</b>	4.58	4.52	
<b>Commitments and Contingencies</b>	<b>40,512,934</b>	<b>27,813,191</b>	
<b>Memorandum Information</b>			
Number of Employees	773	742	
Number of Branches	28	28	

**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 May 2018

We, the undersigned, being the Chief Executive Officer, Chairman and Director of Amana Bank 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.  
**Mohamed Azmeer**  
Chief Executive Officer  
9 May 2018

Sgd.  
**Osman Kassim**  
Chairman  
9 May 2018

Sgd.  
**Jazri Magdon Ismail**  
Director  
9 May 2018

STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2018

	RUPEES IN THOUSANDS						
	Stated Capital	Statutory Reserve Fund	Revaluation Reserve	Other Reserve		Retained Earnings	Total
				Revenue Reserve	Available for Sale Reserve		
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
<b>As at 1 January 2017</b>	5,866,808	17,263	526,909	(216,926)	(26,868)	(379,140)	5,788,045
Profit for the three months ended 31.03.2017	-	-	-	-	-	66,615	66,615
Total Comprehensive Income for the three months ended 31.03.2017	-	-	-	-	(30,046)	-	(30,046)
<b>As at 31 March 2017</b>	<b>5,866,808</b>	<b>17,263</b>	<b>526,909</b>	<b>(216,926)</b>	<b>(56,914)</b>	<b>(312,524)</b>	<b>5,824,615</b>
Rights Share Issue	4,752,642	-	-	-	-	-	4,752,642
Share Issue Expenses	-	-	-	(9,537)	-	-	(9,537)
Profit for the nine months ended 31.12.2017	-	-	-	-	-	436,212	436,212
Total Comprehensive Income for the nine months ended 31.12.2017	-	-	294,352	-	3,036	(13,364)	284,024
Transfers to Statutory Reserve Fund	-	25,141	-	-	-	(25,141)	-
Reclassifying to Profit or Loss as Impairment	-	-	-	-	25,846	-	25,846
Transferred to Retained Earnings	-	-	(543)	226,463	-	(225,920)	-
<b>As at 31 December 2017 (Audited)</b>	<b>10,619,450</b>	<b>42,405</b>	<b>820,718</b>	<b>-</b>	<b>(28,032)</b>	<b>(140,738)</b>	<b>11,313,803</b>
Profit for the three months ended 31.03.2018	-	-	-	-	-	162,808	162,808
Total Comprehensive Income for the three months ended 31.03.2018	-	-	-	-	(27,009)	-	(27,009)
<b>As at 31 March 2018</b>	<b>10,619,450</b>	<b>42,405</b>	<b>820,718</b>	<b>-</b>	<b>(55,041)</b>	<b>22,070</b>	<b>11,449,602</b>

**STATEMENT OF CASHFLOW  
FOR THE PERIOD ENDED 31 MARCH 2018**

	RUPEES IN THOUSANDS	
	FOR THE PERIOD ENDED 31.03.2018	FOR THE PERIOD ENDED 31.03.2017
<b>Cash Flow from Operating Activities</b>		
Financing Income Received	1,279,395	1,149,584
Fees and Commission Received	71,753	60,707
Financing Expenses Paid	(791,410)	(601,379)
Foreign Exchange Income Received	102,297	77,704
Gratuity Payments Made	(3,064)	(3,251)
Payments to Employees and Suppliers	(568,102)	(522,107)
<b>Operating Profit/(Loss) before Changes in Operating Assets and Liabilities</b>	<b>90,869</b>	<b>161,258</b>
<b>(Increase) / Decrease in Operating Assets</b>		
Financing and Receivable to Other Customers	(1,791,987)	(1,536,667)
Other Financial Assets	(33,278)	28,058
Other Non Financial Assets	(98,978)	(52,307)
Statutory Deposit	1,053,895	(623,934)
<b>Increase / (Decrease) in Operating Liabilities</b>		
Due to Other Customers	2,266,645	2,092,378
Due to Banks	965,650	465,500
Other Liabilities	78,723	59,511
<b>Net Cash Flow from Operating Activities before Income Tax</b>	<b>2,531,539</b>	<b>593,797</b>
Income Tax Paid	-	-
<b>Net Cash Flows From / (Used In) Operating Activities</b>	<b>2,531,539</b>	<b>593,797</b>
<b>Cash Flows From/(Used In) Investing Activities</b>		
Acquisition of Property, Plant & Equipment	(21,780)	(16,792)
Proceeds from Sale of Property, Plant and Equipment	-	-
Acquisition of Intangible Assets	-	(728)
Investments in Placements with Licensed Finance Companies	(2,237,181)	3
Investments in Placements with Banks	(898,114)	777,099
Sale / (Acquisition) of Financial Investments - Available for Sale	-	(566)
Sale / (Acquisition) of Financial Assets Held for Trading	644	(744)
Dividend Received from Financial Assets	1,241	1,122
<b>Net Cash Flows From / (Used In) Investing Activities</b>	<b>(3,155,190)</b>	<b>759,394</b>
<b>Cash Flows From / (Used In) Financing Activities</b>		
<b>Net Cash Flows From / (Used In) Financing Activities</b>	<b>-</b>	<b>-</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(623,651)</b>	<b>1,353,191</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>5,859,767</b>	<b>5,686,924</b>
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>5,236,116</b>	<b>7,040,115</b>

01. ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

FINANCIAL ASSETS	HELD FOR TRADING	AMORTIZED COST	HELD TO MATURITY	RUPEES IN THOUSANDS	
				AVAILABLE FOR SALE	TOTAL AS AT 31.03.2018
Cash and Cash Equivalents	-	5,236,116	-	-	5,236,116
Balance with Central Bank of Sri Lanka	-	3,073,917	-	-	3,073,917
Derivative Financial Assets	111,357	-	-	-	111,357
Placements with Banks	-	6,208,084	-	-	6,208,084
Placements with Licensed Finance Companies	-	4,366,077	-	-	4,366,077
Financial Investments - Held for Trading	41,374	-	-	-	41,374
Financing and Receivables to Customers	-	44,840,328	-	-	44,840,328
Financial Investments - Available for Sale	-	-	-	291,328	291,328
Other Financial Assets	-	438,427	-	-	438,427
<b>Total Financial Assets</b>	<b>152,731</b>	<b>64,162,948</b>	<b>-</b>	<b>291,328</b>	<b>64,607,008</b>
<b>Financial Liabilities</b>					
Due to Banks	-	967,111	-	-	967,111
Derivative Financial Liabilities	47,392	-	-	-	47,392
Due to Other Customers	-	53,174,051	-	-	53,174,051
Other Financial Liabilities	-	722,305	-	-	722,305
<b>Total Financial Liabilities</b>	<b>47,392</b>	<b>54,863,466</b>	<b>-</b>	<b>-</b>	<b>54,910,859</b>

FINANCIAL ASSETS	HELD FOR TRADING	AMORTIZED COST	HELD TO MATURITY	RUPEES IN THOUSANDS	
				AVAILABLE FOR SALE	Total AS AT 31.12.2017 (AUDITED)
Cash and Cash Equivalents	-	5,859,767	-	-	5,859,767
Balance with Central Bank of Sri Lanka	-	4,127,812	-	-	4,127,812
Derivative Financial Assets	127,617	-	-	-	127,617
Placements with Banks	-	5,285,796	-	-	5,285,796
Placements with Licensed Finance Companies	-	2,112,166	-	-	2,112,166
Financial Investments - Held for Trading	41,646	-	-	-	41,646
Financing and Receivables to Customers	-	42,914,144	-	-	42,914,144
Financial Investments - Available for Sale	-	-	-	323,265	323,265
Other Financial Assets	-	388,890	-	-	388,890
<b>Total Financial Assets</b>	<b>169,262</b>	<b>60,688,575</b>	<b>-</b>	<b>323,265</b>	<b>61,181,101</b>
<b>Financial Liabilities</b>					
Due to Banks	-	-	-	-	-
Derivative Financial Liabilities	29,924	-	-	-	29,924
Due to Other Customers	-	50,922,561	-	-	50,922,561
Other Financial Liabilities	-	680,471	-	-	680,471
<b>Total Financial Liabilities</b>	<b>29,924</b>	<b>51,603,032</b>	<b>-</b>	<b>-</b>	<b>51,632,956</b>

02. FINANCING AND RECEIVABLES TO OTHER CUSTOMERS

	RUPEES IN THOUSANDS	
	31.03.2018	31.12.2017 (AUDITED)
Gross Financing and Receivables to Other Customers	45,470,729	43,440,441
Less: Individual Impairment	(170,615)	(176,246)
Less: Collective Impairment	(459,787)	(350,051)
<b>Net Financing and Receivables</b>	<b>44,840,328</b>	<b>42,914,144</b>

03. FINANCING AND RECEIVABLES TO OTHER CUSTOMERS - BY PRODUCT

	RUPEES IN THOUSANDS	
	31.03.2018	31.12.2017 (AUDITED)
<b>By Product - Domestic Currency</b>		
Overdraft	3,856,013	3,232,301
Trade Finance	2,877,609	2,703,582
Lease Receivables	5,576,741	5,685,036
Staff Facilities	503,436	502,563
Term Financing	26,600,468	26,081,066
Gold Facilities	1,781,383	1,581,421
Others	747,510	627,995
<b>Sub Total</b>	<b>41,943,159</b>	<b>40,413,965</b>
<b>By Product - Foreign Currency</b>		
Overdraft	46,157	44,984
Term Financing	3,237,163	2,721,460
Trade Finance	42,627	47,927
Others	201,623	212,106
<b>Sub Total</b>	<b>3,527,570</b>	<b>3,026,477</b>
<b>Total</b>	<b>45,470,729</b>	<b>43,440,442</b>

## 04. MOVEMENTS IN INDIVIDUAL AND COLLECTIVE IMPAIRMENT DURING THE PERIOD FOR FINANCING AND RECEIVABLES TO OTHER CUSTOMERS

	RUPEES IN THOUSANDS		
	Individual Impairment	Collective Impairment	Total Impairment
At 1 January 2017	85,924	194,616	280,540
Charge/(Write Back) for the year	90,576	155,435	246,011
Recoveries	-	-	-
Amounts written off	(254)	-	(254)
Profit accrued on Impaired Financing and Receivables	-	-	-
<b>As at 31 December 2017 (Audited)</b>	<b>176,246</b>	<b>350,051</b>	<b>526,297</b>
Charge/(Write Back) for the period	(5,631)	109,736	104,105
Recoveries	-	-	-
Amounts written off	-	-	-
Profit accrued on Impaired Financing and Receivables	-	-	-
<b>As at 31 March 2018</b>	<b>170,615</b>	<b>459,787</b>	<b>630,402</b>

## 05. DUE TO OTHER CUSTOMERS - BY PRODUCT

	RUPEES IN THOUSANDS	
	31.03.2018	31.12.2017 (AUDITED)
<b>By Product - Domestic Currency</b>		
Demand Deposits	3,162,437	3,187,940
Savings Deposits	19,667,680	19,138,902
Time Deposits	25,278,972	23,707,079
<b>Sub Total</b>	<b>48,109,089</b>	<b>46,033,921</b>
<b>By Product - Foreign Currency</b>		
Demand Deposits	102,600	316,179
Savings Deposits	1,466,775	1,202,552
Time Deposits	3,495,587	3,369,909
<b>Sub Total</b>	<b>5,064,962</b>	<b>4,888,640</b>
<b>Total</b>	<b>53,174,051</b>	<b>50,922,561</b>

## SELECTED PERFORMANCE INDICATORS

	AS AT 31.03.2018 Basel III	AS AT 31.12.2017 Basel III (AUDITED)
<b>Regulatory Capital (LKR '000)</b>		
Common Equity Tier 1	10,466,076	10,493,086
Tier 1 Capital	10,157,496	10,145,342
Total Capital	10,943,495	10,923,196
<b>Regulatory Capital Ratios (%)</b>		
Common Equity Tier 1 Capital Ratio (Minimum Requirement - 5.75%)	19.1%	20.0%
Tier 1 Capital Ratio (Minimum Requirement - 7.25%)	19.1%	20.0%
Total Capital Ratio (Minimum Requirement - 11.25%)	20.5%	21.5%

	AS AT 31.03.2018	AS AT 31.12.2017 (AUDITED)
<b>Assets Quality (Quality of Financing and Advance Portfolio)</b>		
Gross Non-Performing Financing and Advances Ratio, % (Net of Profit in Suspense)	2.20%	1.89%
Net Non-Performing Financing and Advances Ratio, % (Net of Profit in Suspense and Provisions)	0.81%	0.68%
<b>Profitability</b>		
Financing Margin (%)	4.6%	4.2%
Return on Assets (After Tax)	0.9%	0.8%
Return on Equity	5.6%	5.8%
<b>Regulatory Liquidity</b>		
Statutory Liquid Assets		
- Domestic Banking Unit, Rs. '000	11,589,860	11,519,443
- Foreign Currency Banking Unit, USD '000	1,873	1,971
Statutory Liquid Assets Ratio % (Minimum Requirement - 20%)		
- Domestic Banking Unit	22.0%	22.2%
- Off-Shore Banking Unit	43.6%	41.5%
Liquidity Coverage Ratio (%) (Minimum Requirement - 90%)		
- Rupee (%)	135.8%	200.7%
- All Currency (%)	105.5%	174.7%



7 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 31 MARCH 2018	CONSUMER BANKING	BUSINESS BANKING	TOTAL BANKING	TREASURY	RUPEES IN THOUSANDS	
					UNALLOCATED / ELIMINATION	TOTAL
<b>Income</b>						
Financing Income	406,253	984,496	1,390,749	168,660	9,616	1,569,025
Net Fee and Commission Income	33,299	26,784	60,083	-	11,679	71,762
Net Trading Gain	-	-	-	97,733	-	97,733
Other Operating Income	-	-	-	1,241	-	1,241
<b>Total Income</b>	<b>439,552</b>	<b>1,011,280</b>	<b>1,450,832</b>	<b>267,634</b>	<b>21,295</b>	<b>1,739,761</b>
<b>Less</b>						
Financing Expenses			(776,172)	(1,543)	-	(777,715)
Impairment On Financial Assets			(104,105)	-	-	(104,105)
Operating Expenses			(429,925)	(86,437)	(18,547)	(534,909)
<b>Operating Profit Before VAT on Financial Services &amp; NBT</b>			<b>140,630</b>	<b>179,654</b>	<b>2,748</b>	<b>323,032</b>
Value Added Tax on Financial Services & Nation Building Tax						(96,910)
<b>Profit Before Tax</b>						<b>226,122</b>
Tax Expenses						(63,314)
<b>Profit/(Loss) After Tax</b>						<b>162,808</b>
<b>Total Assets</b>	<b>12,401,255</b>	<b>32,439,073</b>	<b>44,840,328</b>	<b>16,983,674</b>	<b>5,216,997</b>	<b>67,040,999</b>
<b>Total Liabilities</b>	<b>51,003,272</b>	<b>2,170,779</b>	<b>53,174,051</b>	<b>970,958</b>	<b>1,446,388</b>	<b>55,591,397</b>

  

FOR THE PERIOD ENDED 31 MARCH 2017	CONSUMER BANKING	BUSINESS BANKING	TOTAL BANKING	TREASURY	RUPEES IN THOUSANDS	
					UNALLOCATED / ELIMINATION	TOTAL
<b>Income</b>						
Financing Income	344,092	856,130	1,200,222	11,270	6,399	1,217,891
Net Fee and Commission Income	27,303	26,880	54,183	-	3,745	57,928
Net Trading Gain	-	-	-	74,940	-	74,940
Other Operating Income	-	-	-	1,122	-	1,122
<b>Total Income</b>	<b>371,395</b>	<b>883,010</b>	<b>1,254,405</b>	<b>87,332</b>	<b>10,144</b>	<b>1,351,881</b>
<b>Less</b>						
Financing Expenses			(653,634)	(1,799)	-	(655,433)
Impairment On Financial Assets			(16,949)	-	-	(16,949)
Operating Expenses			(419,350)	(46,192)	(39,394)	(504,936)
<b>Operating Profit Before VAT on Financial Services &amp; NBT</b>			<b>164,471</b>	<b>39,341</b>	<b>(29,249)</b>	<b>174,563</b>
Value Added Tax on Financial Services & Nation Building Tax						(82,042)
<b>Profit Before Tax</b>						<b>92,521</b>
Tax Expenses						(25,906)
<b>Profit/(Loss) After Tax</b>						<b>66,615</b>
<b>Total Assets</b>	<b>11,032,343</b>	<b>29,002,015</b>	<b>40,034,357</b>	<b>13,138,773</b>	<b>3,879,587</b>	<b>57,052,717</b>
<b>Total Liabilities</b>	<b>44,928,810</b>	<b>4,134,046</b>	<b>49,062,856</b>	<b>761,994</b>	<b>1,403,251</b>	<b>51,228,102</b>

## EXPLANATORY NOTES

- 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.
- 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 2017.
- 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 2017.
- 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.
- Comparative figures have been restated wherever necessary to conform to the current periods presentation.
- There has not been a significant change in the nature of the contingent liabilities as disclosed in the Annual Report of 2017.
- In July 2014, CA Sri Lanka issued SLFRS 9 - Financial Instruments, effective for annual periods beginning on or after 1 January 2018 and replaced the accounting standard LKAS 39 - Financial Instruments: Recognition and Measurement. Accordingly, in reporting the interim results, the Bank is required to apply SLFRS 9 and to be in compliance with the same. However, an exemption clause in SLFRS 9 permits an entity not to apply the requirements of this Standard to interim periods prior to the date of initial application, if it is impracticable.

Taking the above into consideration, CA Sri Lanka through the "Statement of Alternative Treatment (SoAT) on the Figures in the Interim Financial Statements" granted an option to prepare the interim financial statements continuing the application of LKAS 39 Financial Instruments: Recognition and Measurement with disclosures on impact to the Statement of Comprehensive Income for the period if SLFRS 9 has been applied during the financial year commencing on or after 1 January 2018. If that determination of impact is impracticable, that fact shall be disclosed.

The Bank, with the assistance of an external consultant, has identified its Day 1 impact to the relevant balances with the adoption of SLFRS 9 whilst further analysis is underway to fully comply with the requirements specified in the Standard and incorporate such requirements in the financial statements of year ending 31 December 2018.

Accordingly, the Bank has continued to adopt LKAS 39 - Financial Instruments: Recognition and Measurement in preparing these interim financial statements.

#### 8. Market Price of Ordinary Shares (the Bank listed its ordinary shares on the Colombo Stock Exchange on 29 January 2014)

	2018 Rs.	2017 Rs.
Market Price as at 31 March	3.40	3.50
Highest Market Price during the quarter ended 31 March	3.70	4.00
Lowest Market Price during the quarter ended 31 March	3.30	3.40

#### 9. Twenty Largest Shareholders as at 31 March 2018

No	Name of Shareholder	No. of Shares	%
1	IB Growth Fund (Labuan) LLP (Part of Islamic Development Bank Group)	591,578,861	23.65
2	Mr Hossain Ahmed Ismail	249,888,800	9.99
3	Mr. Mohamed Haji Omar	181,000,000	7.24
4	Bank Islam Malaysia Berhad	180,562,011	7.22
5	AB Bank Limited	180,562,010	7.22
6	Islamic Development Bank	158,061,757	6.32
7	Akbar Brothers (Pvt) Ltd	157,744,249	6.31
8	Mr. Farook Kassim	92,220,411	3.69
9	Millenium Capital Investment Pte. Limited	70,140,503	2.80
10	Mr Osman Kassim jointly with Mrs K. Kassim	51,880,255	2.07
11	Mr Shafik Kassim	48,303,215	1.93
12	Mr. Sattar Kassim	46,261,000	1.85
13	Mr. Nagi Saleh Mohammed Al Faqih	37,384,600	1.49
14	Trans Asia Trading Company	32,082,707	1.28
15	Mr Abdul Majeed Mohamedu Risvi	31,036,109	1.24
16	Mr. Sathiyamurthy Chandramohan	30,000,000	1.20
17	Mr Riyaz Mohamed Sangani	29,364,647	1.17
18	Almas Organisation (Pvt) Ltd	26,303,000	1.05
19	Al Bogari IGL DMCC	17,678,178	0.71
20	Mr. Ahamed Mihilar Mohamed Fazal Jiffry	14,284,200	0.57
	<b>Sub total</b>	<b>2,226,336,513</b>	<b>89.00</b>
	Other Shareholders (Number of Shareholders 6,808)	275,054,021	11.00
	<b>Total</b>	<b>2,501,390,534</b>	<b>100.00</b>

**Percentage of Public Holding as at 31 March 2018** 43.55%  
**Number of Shareholders** 6,798

#### 10. Directors' holding in shares as at 31 March 2018

Name of Director	No. of Shares
Mr. Osman Kassim	51,880,255
Mr. Tyeab Akbarally	52
Mr. Mohamed Jazri Magdon Ismail	127,000
Mr. Haseeb Ullah Siddiqui	-
Mr. Wahid Ali Mohd Khalil	-
Mr. Harsha Amarasekera PC	-
Mr. Rajiv Nandlal Dvivedi	-
Mr. Pradeep Dilshan Rajeeva Hettiaratchi	-
Mr. Aaron Russell Davison	-
Mr. Adeb Ahmad	-
Mr. Mohammed Ataur Rahman Chowdhury	-
Mr. Huzeifa Inayetally Akbarally (Alternate Director to Mr. Tyeab Akbarally)	1
Mr. Mohamed Faizel Mohamed Haddad (Alternate Director to Mr. Osman Kassim)	40,000
Mr. Mohd Muazzam Mohamed (Alternate Director to Mr. Wahid Ali Mohd Khalil)	-
Mr. Mohamed Azmeer (Chief Executive Officer)	500,000