



AMÃNA BANK PLC (PB 3618 PQ)

FINANCIAL STATEMENTS

30 JUNE 2017

AMANA BANK PLC (PB 3618 PQ)
STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED 30 JUNE 2017

	RUPEES IN THOUSANDS			RUPEES IN THOUSANDS		
	FOR THE SIX MONTHS ENDED 30 JUNE		Change %	FOR THE QUARTER ENDED 30 JUNE		Change %
	2017	2016		2017	2016	
Financing Income	2,523,927	1,815,179	39.0	1,306,036	950,909	37.3
Financing Expenses	(1,327,238)	(948,801)	39.9	(671,804)	(493,088)	36.2
Net Financing Income	1,196,689	866,378	38.1	634,232	457,821	38.5
Net Fee and Commission Income	112,136	98,365	14.0	54,208	50,797	6.7
Net Gain/(Loss) from Trading	183,847	178,987	2.7	108,907	57,239	90.3
Net Gain/(Loss) from Financial instruments designated at fair value through profit or loss	-	-	0.0	-	-	0.0
Net Gain/(Loss) from Financial Investments	-	-	0.0	-	-	0.0
Net Other Operating Income	6,242	2,290	172.5	5,120	1,419	260.9
Total Operating Income	1,498,914	1,146,020	30.8	802,467	567,276	41.5
Impairment Revesal / (Charge)for Financing and Receivables to Other Customers and Other Losses						
Individual Impairment	(62,145)	2,289	2,814.9	(55,190)	3,505	1,674.4
Collective Impairment	(61,304)	(14,829)	313.4	(51,309)	(6,780)	656.8
Others	-	-	0.0	-	-	0.0
Net Operating Income	1,375,465	1,133,480	21.3	695,968	564,001	23.4
Personnel Expenses	550,006	528,889	4.0	273,891	266,269	2.9
Depreciation of Property, Plant and Equipment	74,665	80,896	(7.7)	37,385	39,618	(5.6)
Amortisation of Intangible Assets	25,928	38,405	(32.5)	12,751	21,653	(41.1)
Other Operating Expenses	361,368	329,253	9.8	183,003	167,547	9.2
Total Operating Expenses	1,011,967	977,443	3.5	507,030	495,087	2.4
Operating Profit Before Value Added Tax & Nation Building Tax	363,498	156,037	133.0	188,938	68,914	174.2
Value Added Tax on Financial Services & Nation Building Tax	(152,669)	(78,023)	95.7	(70,628)	(41,428)	70.5
Profit Before Tax	210,829	78,014	170.2	118,310	27,486	330.4
Tax (Expenses)/Reversal	(59,032)	(21,846)	170.2	(33,126)	(9,596)	245.2
Profit for the Period	151,797	56,168	170.3	85,184	17,890	376.2
Earnings Per Share - Basic / Diluted	0.12	0.04	170.3	0.07	0.01	376.2

AMANA BANK PLC (PB 3618 PQ)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2017

	RUPEES IN THOUSANDS			RUPEES IN THOUSANDS		
	FOR THE SIX MONTHS ENDED 30 JUNE		Change %	FOR THE QUARTER ENDED 30 JUNE		Change %
	2017	2016		2017	2016	
Profit/(Loss) for the Period	151,797	56,168	170.3	85,184	17,890	376.2
Other Comprehensive Income/(Loss)						
Other Comprehensive Income to be reclassified to Profit or Loss :						
Financial Investment - Available for Sale:						
Net Gain/(Loss) on Financial Investments - Available for sale	3,920	(93,160)	104.2	33,966	(63,065)	153.9
Reclassification to Profit or Loss as Impairment	-	-	0.0	-	-	0.0
Net Other Comprehensive Income to be reclassified to Profit or Loss	3,920	(93,160)	104.2	33,966	(63,065)	153.9
Other Comprehensive Income/(Loss) for the Period Net of Tax	3,920	(93,160)	104.2	33,966	(63,065)	153.9
Total Comprehensive Income/(Loss) for the Period Net of Tax	155,717	(36,992)	520.9	119,150	(45,175)	363.8

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	RUPEES IN THOUSANDS		Change %
	AS AT 30.06.2017	AS AT 31.12.2016 (AUDITED)	
Assets			
Cash and Cash Equivalents	6,735,935	5,686,924	18.4
Balances with Central Bank of Sri Lanka	1,765,916	2,816,770	(37.3)
Derivative Financial Assets	24,540	59,483	(58.7)
Placements with Banks	3,252,239	4,662,466	(30.2)
Placements with Licensed Finance Companies	2,100,011	21	10,235,263
Financial Investments - Held for Trading	39,610	45,182	(12.3)
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	40,024,226	38,451,662	4.1
Financial Investments - Available for Sale	371,930	394,774	(5.8)
Financial Investments - Held to Maturity	-	-	0.0
Other Financial Assets	339,973	307,322	10.6
Other Non Financial Assets	385,748	227,059	69.9
Property, Plant and Equipment	1,209,531	1,247,591	(3.1)
Intangible Assets	245,022	269,376	(9.0)
Deferred Tax Assets	146,356	146,356	0.0
Total Assets	56,641,037	54,314,986	4.3
Liabilities			
Due to Banks	848,651	751,964	12.9
Derivative Financial Liabilities	10,949	98,341	(88.9)
Other Financial Liabilities - Held for Trading	-	-	0.0
Financial Liabilities Designated at Fair Value through Profit or Loss	-	-	0.0
Due to Other Customers	49,159,778	46,915,290	4.8
Other Financing	-	-	0.0
Securities Issued	-	-	0.0
Other Financial Liabilities	379,521	566,565	(33.0)
Other Non Financial Liabilities	206,121	112,175	83.7
Subordinated Term Financing	-	-	0.0
Retirement Benefit Liability	93,240	82,606	12.9
Total Liabilities	50,698,260	48,526,941	4.5
Shareholders' Funds			
Stated Capital	5,866,808	5,866,808	0.0
Statutory Reserve Fund	17,263	17,263	0.0
Revaluation Reserves	526,909	526,909	0.0
Other Reserves	(240,860)	(243,795)	1.2
Retained Earnings	(227,343)	(379,140)	40.0
Total Equity	5,942,777	5,788,045	2.7
Total Liabilities and Shareholders' Funds	56,641,037	54,314,986	4.3
Net Asset Value per Ordinary Share	4.75	4.63	
Commitments and Contingencies	19,486,553	26,191,124	
Memorandum Information			
Number of Employees	715	718	
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

31 July 2017

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 audited Financial Statements of the Bank.

(Sgd)

Mohamed Azmeer

Chief Executive Officer

31 July 2017

(Sgd)

Osman Kassim

Chairman

31 July 2017

(Sgd)

Jazri Magdon Ismail

Director

31 July 2017

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2017

	Stated Capital	Statutory Reserve Fund	Revaluation Reserve	Other Reserve		RUPEES IN THOUSANDS	
				Revenue Reserve	Available for Sale Reserve	Retained Earnings	Total
				Rs.	Rs.		
As at 1 January 2016	5,866,808	15,231	527,800	(216,926)	(44,599)	(425,317)	5,722,997
Profit/(Loss) for the six months ended 30.06.2016	-	-	-	-	-	56,168	56,168
Total Comprehensive Income for the six months ended 30.06.2016	-	-	-	-	(93,160)	-	(93,160)
As at 30 June 2016	5,866,808	15,231	527,800	(216,926)	(137,759)	(369,149)	5,686,005
Profit/(Loss) for the six months ended 31.12.2016	-	-	-	-	-	(15,528)	(15,528)
Total Comprehensive Income for the six months ended 31.12.2016	-	-	-	-	87,741	6,678	94,419
Transfers to Statutory Reserve Fund	-	2,032	-	-	-	(2,032)	-
Reclassifying to profit or loss as impairment	-	-	-	-	23,149	-	23,149
Transferred to retained earnings	-	-	(891)	-	-	891	-
As at 31 December 2016 (Audited)	5,866,808	17,263	526,909	(216,926)	(26,869)	(379,140)	5,788,045
Profit/(Loss) for the six months ended 30.06.2017	-	-	-	-	-	151,797	151,797
Total Comprehensive Income for the six months ended 30.06.2017	-	-	-	-	3,920	-	3,920
Share Issue Expenses	-	-	-	(985)	-	-	(985)
As at 30 June 2017	5,866,808	17,263	526,909	(217,911)	(22,949)	(227,343)	5,942,777

**STATEMENT OF CASHFLOW
FOR THE PERIOD ENDED 30 JUNE 2017**

	RUPEES IN THOUSANDS	
	FOR THE PERIOD ENDED 30.06.2017	FOR THE PERIOD ENDED 30.06.2016
Cash Flow from Operating Activities		
Financing Income Received	2,453,299	1,777,821
Fees and Commission Received	115,953	97,889
Financing Expenses Paid	(1,302,377)	(885,607)
Foreign Exchange Income Received	184,258	181,733
Gratuity Payments Made	(3,530)	(231)
Payments to Employees and Suppliers	(1,033,173)	(903,680)
Operating Profit/(Loss) before Changes in Operating Assets and Liabilities	414,430	267,925
(Increase) / Decrease in Operating Assets		
Financing and Receivable to Other Customers	(1,646,211)	(3,643,095)
Other Financial Assets	(1,625)	(458,677)
Other Non Financial Assets	(158,690)	(44,669)
Statutory Deposit	1,050,854	(712,453)
Increase / (Decrease) in Operating Liabilities		
Due to Other Customers	2,219,066	6,752,676
Due to Banks	97,250	(2,222,900)
Other Liabilities	(239,541)	(11,059)
Net Cash Flow from Operating Activities before Income Tax	1,735,533	(72,252)
Income Tax Paid	-	-
Net Cash Flows From / (Used In) Operating Activities	1,735,533	(72,252)
Cash Flows From/(Used In) Investing Activities		
Acquisition of Property, Plant & Equipment	(36,713)	(46,607)
Proceeds from Sale of Property, Plant and Equipment	135	-
Acquisition of Intangible Assets	(1,574)	(50,794)
Investments in Placements with Licensed Finance Companies	(2,099,990)	951,117
Investments in Placements with Banks	1,414,347	1,419,498
Sale / (Acquisition) of Financial Investments - Available for Sale	27,600	(2,705)
Sale / (Acquisition) of Financial Assets Held for Trading	5,261	15,041
Dividend Received from Financial Assets	5,397	1,934
Net Cash Flows From / (Used In) Investing Activities	(685,537)	2,287,484
Cash Flows From / (Used In) Financing Activities		
Share Issue Expenses	(985)	-
Net Cash Flows From / (Used In) Financing Activities	(985)	-
Net Increase / (Decrease) in Cash and Cash Equivalents	1,049,011	2,215,232
Cash and Cash Equivalents at the Beginning of the Year	5,686,924	5,016,459
Cash and Cash Equivalents at the End of the Period	6,735,935	7,231,691

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 30.06.2017
Cash and Cash Equivalents	-	6,735,935	-	-	6,735,935
Balance with Central Bank of Sri Lanka	-	1,765,916	-	-	1,765,916
Derivative Financial Assets	24,540	-	-	-	24,540
Placements with Banks	-	3,252,239	-	-	3,252,239
Placements with Licensed Finance Companies	-	2,100,011	-	-	2,100,011
Financial Investments - Held for Trading	39,610	-	-	-	39,610
Financing and Receivables to Customers	-	40,024,226	-	-	40,024,226
Financial Investments - Available for Sale	-	-	-	371,930	371,930
Other Financial Assets	-	339,973	-	-	339,973
Total Financial Assets	64,150	54,218,300	-	371,930	54,654,380
Financial Liabilities					
Due to Banks	-	848,651	-	-	848,651
Derivative Financial Liabilities	10,949	-	-	-	10,949
Due to Other Customers	-	49,159,778	-	-	49,159,778
Other Financial Liabilities	-	379,521	-	-	379,521
Total Financial Liabilities	10,949	50,387,950	-	-	50,398,899

FINANCIAL ASSETS	HELD FOR TRADING	AMORTIZED COST	HELD TO MATURITY	RUPEES IN THOUSANDS	
				AVAILABLE FOR SALE	Total As at 31.12.2016 (AUDITED)
Cash and Cash Equivalents	-	5,686,924	-	-	5,686,924
Balance with Central Bank of Sri Lanka	-	2,816,770	-	-	2,816,770
Derivative Financial Assets	59,483	-	-	-	59,483
Placements with Banks	-	4,662,466	-	-	4,662,466
Placements with Licensed Finance Companies	-	21	-	-	21
Financial Investments - Held for Trading	45,182	-	-	-	45,182
Financing and Receivables to Customers	-	38,451,662	-	-	38,451,662
Financial Investments - Available for Sale	-	-	-	394,774	394,774
Other Financial Assets	-	307,322	-	-	307,322
Total Financial Assets	104,665	51,925,165	-	394,774	52,424,604
Financial Liabilities					
Due to Banks	-	751,964	-	-	751,964
Derivative Financial Liabilities	98,341	-	-	-	98,341
Due to Other Customers	-	46,915,290	-	-	46,915,290
Other Financial Liabilities	-	566,565	-	-	566,565
Total Financial Liabilities	98,341	48,233,819	-	-	48,332,160

02. FINANCING AND RECEIVABLES TO OTHER CUSTOMERS

	RUPEES IN THOUSANDS	
	30.06.2017	31.12.2016 (AUDITED)
Gross Financing and Receivables to Other Customers	40,428,085	38,732,202
Less: Individual Impairment	(147,939)	(85,924)
Less: Collective Impairment	(255,920)	(194,616)
Net Financing and Receivables	40,024,226	38,451,662

03. FINANCING AND RECEIVABLES TO OTHER CUSTOMERS - BY PRODUCT

	RUPEES IN THOUSANDS	
	30.06.2017	31.12.2016 (AUDITED)
By Product - Domestic Currency		
Overdraft	2,920,976	2,170,215
Trade Finance	2,458,804	2,669,788
Lease Receivables	5,951,446	6,081,726
Staff Facilities	477,278	611,368
Term Financing	23,872,541	22,826,820
Gold Facilities	1,058,499	710,272
Others	519,348	741,569
Sub Total	37,258,892	35,811,758
By Product - Foreign Currency		
Overdraft	45,457	-
Term Financing	2,911,380	2,624,063
Trade Finance	120,370	39,043
Others	91,986	257,338
Sub Total	3,169,193	2,920,444
Total	40,428,085	38,732,202

NOTES TO THE FINANCIAL STATEMENTS

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 2016	47,190	166,786	213,976
Charge/(Write Back) for the year	40,156	27,830	67,986
Recoveries	-	-	-
Amounts written off	(1,422)	-	(1,422)
Profit accrued on Impaired Financing and Receivables	-	-	-
As at 31 December 2016 (Audited)	85,924	194,616	280,540
Charge/(Write Back) for the period	62,145	61,304	123,449
Recoveries	-	-	-
Amounts written off	(130)	-	(130)
Profit accrued on Impaired Financing and Receivables	-	-	-
As at 30 June 2017	147,939	255,920	403,859

05. DUE TO OTHER CUSTOMERS - BY PRODUCT

	RUPEES IN THOUSANDS	
	30.06.2017	31.12.2016 (AUDITED)
By Product - Domestic Currency		
Demand Deposits	2,927,551	2,710,018
Savings Deposits	20,081,199	17,688,649
Time Deposits	20,576,639	21,109,031
Sub Total	43,585,389	41,507,698
By Product - Foreign Currency		
Demand Deposits	108,460	153,683
Savings Deposits	1,558,893	1,314,824
Time Deposits	3,907,036	3,939,085
Sub Total	5,574,389	5,407,592
Total	49,159,778	46,915,290

SELECTED PERFORMANCE INDICATORS

	AS AT 30.06.2017	AS AT 31.12.2016 (AUDITED)
Regulatory Capital Adequacy		
Core Capital (Tier 1 Capital), Rs. Mn.	5,287	5,288
Total Capital Base, Rs. Mn.	5,089	5,062
Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 5%)	10.4%	10.4%
Total Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 10%)	10.8%	10.8%
Assets Quality (Quality of Financing and Advance Portfolio)		
Gross Non-Performing Financing and Advances Ratio, % (Net of Profit in Suspense)	1.47%	0.89%
Net Non-Performing Financing and Advances Ratio, % (Net of Profit in Suspense and Provisions)	0.84%	0.38%
Profitability		
Financing Margin (%)	3.9%	3.6%
Return on Assets (before Tax)	0.5%	0.1%
Return on Equity	5.0%	0.7%
Regulatory Liquidity		
Statutory Liquid Assets, Rs. Mn.	11,171	10,771
Statutory Liquid Assets Ratio, % (Minimum Requirement, 20%)		
- Domestic Banking Unit	22.4%	22.6%
- Off-Shore Banking Unit	27.1%	26.9%

NOTES TO THE FINANCIAL STATEMENTS

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 DECEMBER 2016	CONSUMER BANKING	BUSINESS BANKING	TOTAL BANKING	TREASURY	RUPEES IN THOUSANDS	
					UNALLOCATED / ELIMINATION	TOTAL
Income						
Financing Income	699,756	1,757,283	2,457,039	51,780	15,108	2,523,927
Net Fee and Commission Income	51,794	53,345	105,139	5,941	1,056	112,136
Net Trading Gain	-	-	-	183,847	-	183,847
Net Other Operating Income/(Expense)	-	-	-	6,231	10	6,242
Total	751,550	1,810,628	2,562,178	247,799	16,174	2,826,152
Profit After Tax			114,619	43,375	(6,197)	151,797
Total Assets	11,621,134	28,403,092	40,024,226	12,164,417	4,452,394	56,641,037
Total Liabilities	46,360,971	2,798,807	49,159,778	850,408	688,074	50,698,260
FOR THE PERIOD ENDED 30 JUNE 2016	CONSUMER BANKING	BUSINESS BANKING	TOTAL BANKING	TREASURY	RUPEES IN THOUSANDS	
					UNALLOCATED / ELIMINATION	TOTAL
Income						
Financing Income	554,812	1,192,650	1,747,462	50,983	16,734	1,815,179
Net Fee and Commission Income	34,612	49,669	84,281	-	14,084	98,365
Net Trading Gain	-	-	-	178,987	-	178,987
Net Other Operating Income/(Expense)	-	-	-	2,290	-	2,290
Total Income	589,424	1,242,319	1,831,743	232,260	30,818	2,094,821
Profit/(Loss) After Tax			46,547	48,126	(38,504)	56,169
Total Assets	10,208,924	26,531,503	36,740,427	11,429,817	4,308,702	52,478,946
Total Liabilities	42,282,123	3,145,462	45,427,585	729,847	635,509	46,792,941

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 2016.
- 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 2016.
- 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 2016.

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

	2017 Rs.	2016 Rs.
Market Price as at 30 June	3.70	4.40
Highest Market Price during the quarter ended 30 June	3.80	5.30
Lowest Market Price during the quarter ended 30 June	3.50	4.40

8. Twenty Largest Shareholders as at 30 June 2017

No	Name of Shareholder	No. of Shares	%
1	Bank Islam Malaysia Berhad	180,562,011	14.44
2	AB Bank Limited	180,562,010	14.44
3	Akbar Brothers (Pvt) Ltd	124,849,499	9.98
4	Islamic Development Bank	120,374,673	9.62
5	Mr. Farook Kassim	95,513,650	7.64
6	Amana Holdings Limited	75,750,755	6.06
7	Millenium Capital Investment Pte. Limited	70,140,503	5.61
8	Mr. Nagi Saleh Mohammed Al Faqih	37,384,600	2.99
9	Trans Asia Trading Company	33,326,950	2.66
10	Mr. Sathiyamurthy Chandramohan	30,000,000	2.40
11	Al Bogari Islamic Gold DMCC	17,678,178	1.41
12	Mr. Ahamed Mihilar Mohamed Fazul Jiffry	14,284,200	1.14
13	Mr. Mohamed Haji Omar	12,426,262	0.99
14	ABC International Limited	11,920,000	0.95
15	Amana Takaful (Maldives) Pvt Ltd	9,340,821	0.75
16	Mrs. Nabila Qureshi	6,534,733	0.52
17	Pan Asia Banking Corporation PLC / Lanka Commodity Brokers Ltd	6,142,800	0.49
18	Mr. Muhammad Muslim Salahudeen	5,756,667	0.46
19	Mr. Abdul Majeed Mohamedu Risvi	5,433,690	0.43
20	Mubasher Financial Services BSC	5,082,000	0.41
Sub total		1,043,064,002	83.40
Other Shareholders (Number of Shareholders 6,886)		207,631,265	16.60
Total		1,250,695,267	100.00

Percentage of Public Holding as at 30 June 2017

34.14%

Number of Shareholders

6,879

9. Directors' holding in shares as at 30 June 2017

Name of Director	No. of Shares
Mr. Osman Kassim	438,520
Mr. Tyeab Akbarally	26
Dato' A Tajudin B.H Abdul Rahman	-
Dr. A. A. M Haroon	8
Mr. Mohamed Jazri Magdon Ismail	13,500
Mr. Haseeb Ullah Siddiqui	-
Mr. Wahid Ali Mohd Khalil	-
Mr. Harsha Amarasekera PC	-
Mr. Faheemul Huq	-
Mr. Rajiv Nandlal Divedi	-
Mr. Pradeep Dilshan Rajeeva Hettiaratchi	-
Mr. Huzefa Inayetally Akbarally (Alternate Director to Mr. Tyeab Akbarally)	1
Mr. Mohamed Faizel Mohamed Haddad (Alternate Director to Mr. Osman Kassim)	-
Mr. Mohd Muazzam Mohamed (Alternate Director to Mr. Wahid Ali Mohd Khalil)	-
Mr. Mohamed Azmeer (Chief Executive Officer)	150,000