



AMÃNA BANK PLC (PB 3618 PQ)

FINANCIAL STATEMENTS

30 JUNE 2016

AMANA BANK PLC (PB 3618 PQ)
STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED 30 JUNE 2016

	RUPEES IN THOUSANDS			RUPEES IN THOUSANDS		
	FOR THE SIX MONTHS ENDED		Change %	FOR THE QUARTER ENDED		Change %
	30 JUNE			30 JUNE		
	2016	2015		2016	2015	
Financing Income	1,815,179	1,337,208	35.7	950,909	676,013	40.7
Financing Expenses	(948,801)	(635,674)	49.3	(493,088)	(330,198)	49.3
Net Financing Income	866,378	701,534	23.5	457,821	345,815	32.4
Net Fee and Commission Income	98,365	72,778	35.2	50,797	38,357	32.4
Net Gain/(Loss) from Trading	178,987	183,533	(2.5)	57,239	109,398	(47.7)
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	2,290	3,994	(42.7)	1,419	4,199	(66.2)
Total Operating Income	1,146,020	961,839	19.1	567,276	497,769	14.0
Impairment Reveal / (Charge)for Financing and Receivables to Other Customers and Other Losses						
Individual Impairment	2,289	3,264	(29.9)	3,505	487	619.2
Collective Impairment	(14,829)	(14,420)	2.8	(6,780)	3,349	302.4
Others	-	-	0.0	-	-	0.0
Net Operating Income	1,133,480	950,683	19.2	564,001	501,605	12.4
Personnel Expenses	528,889	445,893	18.6	266,269	225,238	18.2
Depreciation of Property, Plant and Equipment	80,896	75,773	6.8	39,618	38,454	3.0
Amortisation of Intangible Assets	38,405	20,336	88.8	21,653	10,220	111.9
Other Operating Expenses	329,253	266,241	23.7	167,547	139,508	20.1
Total Operating Expenses	977,443	808,243	20.9	495,087	413,420	19.8
Operating Profit Before Value Added Tax & Nation Building Tax	156,037	142,440	9.5	68,914	88,185	(21.9)
Value Added Tax on Financial Services & Nation Building Tax	(78,023)	(71,832)	8.6	(41,428)	(40,645)	1.9
Profit Before Tax	78,014	70,608	10.5	27,486	47,540	(42.2)
Tax (Expenses)/Reversal	(21,846)	-	0.0	(9,596)	-	0.0
Profit for the Period	56,168	70,608	(20.5)	17,890	47,540	(62.4)
Earnings Per Share - Basic / Diluted	0.04	0.06	(20.5)	0.01	0.04	(62.4)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2016

	RUPEES IN THOUSANDS			RUPEES IN THOUSANDS		
	FOR THE SIX MONTHS ENDED 30 JUNE		Change %	FOR THE QUARTER ENDED 30 JUNE		Change %
	2016	2015		2016	2015	
Profit/(Loss) for the Period	56,168	70,608	(20.5)	17,890	47,540	(62.4)
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	(93,160)	(14,299)	551.5	(63,065)	(3,043)	1,972.5
Net Other Comprehensive Income to be reclassified to Profit or Loss	(93,160)	(14,299)	551.5	(63,065)	(3,043)	1,972.5
Other Comprehensive Income not to be reclassified to Profit or Loss :						
Re-measurement gain /(loss) on defined benefit plans	-	-	0.0	-	-	0.0
Deferred tax effect on defined benefit plans	-	-	0.0	-	-	0.0
Net Other Comprehensive Income not to be reclassified to Profit or Loss	-	-	0.0	-	-	0.0
Other Comprehensive Income/(Loss) for the Period Net of Tax	(93,160)	(14,299)	551.5	(63,065)	(3,043)	1,972.5
Total Comprehensive Income/(Loss) for the Period Net of Tax	(36,992)	56,309	(165.7)	(45,175)	44,497	(201.5)

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2016

	RUPEES IN THOUSANDS		Change %
	AS AT 30.06.2016	AS AT 31.12.2015 (AUDITED)	
Assets			
Cash and Cash Equivalents	7,231,690	5,016,459	44.2
Balances with Central Bank of Sri Lanka	3,005,341	2,292,888	31.1
Derivative Financial Assets	126,754	61,037	107.7
Placements with Banks	2,191,095	3,624,929	(39.6)
Placements with Licensed Finance Companies	8	954,528	(100.0)
Financial Investments - Held for Trading	44,717	59,474	(24.8)
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	36,740,426	33,073,596	11.1
Financial Investments - Available for Sale	340,261	432,056	(21.2)
Financial Investments - Held to Maturity	-	-	0.0
Other Financial Assets	866,379	456,289	89.9
Other Non Financial Assets	301,886	257,217	17.4
Property, Plant and Equipment	1,219,458	1,271,732	(4.1)
Intangible Assets	265,227	236,503	12.1
Deferred Tax Assets	145,703	145,703	0.0
Total Assets	52,478,945	47,882,412	9.6
Liabilities			
Due to Banks	728,662	2,955,278	(75.3)
Derivative Financial Liabilities	38,074	67,405	(43.5)
Other Financial Liabilities - Held for Trading	-	-	0.0
Financial Liabilities Designated at Fair Value through Profit or Loss	-	-	0.0
Due to Other Customers	45,427,585	38,608,001	17.7
Other Financing	-	-	0.0
Securities Issued	-	-	0.0
Other Financial Liabilities	367,791	341,598	7.7
Other Non Financial Liabilities	143,326	113,063	26.8
Subordinated Term Financing	-	-	0.0
Retirement Benefit Liability	87,503	74,071	18.1
Total Liabilities	46,792,941	42,159,416	11.0
Shareholders' Funds			
Stated Capital	5,866,808	5,866,808	0.0
Statutory Reserve Fund	15,231	15,226	0.0
Revaluation Reserves	527,800	527,800	0.0
Other Reserves	(354,685)	(261,525)	(35.6)
Retained Earnings	(369,149)	(425,313)	13.2
Total Equity	5,686,004	5,722,996	(0.6)
Total Liabilities and Shareholders' Funds	52,478,945	47,882,412	9.6
Net Asset Value per Ordinary Share	4.55	4.58	
Commitments and Contingencies	19,316,725	18,272,603	
Memorandum Information			
Number of Employees	683	640	
Number of Branches	25	24	

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 2016

We, the undersigned, being the Chief Executive Officer, Deputy 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
10 August 2016

(Sgd)

Tyeab Akbarally
Deputy Chairman
10 August 2016

(Sgd)

Jazri Magdon Ismail
Director
10 August 2016

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2016

	Stated Capital	Statutory Reserve Fund	Other Reserve		Revaluation Reserve	RUPEES IN THOUSANDS	
			Revenue Reserve	Available for Sale Reserve		Retained Earnings	Total
			Rs.	Rs.		Rs.	Rs.
As at 1 January 2015	5,866,808	7,300	(216,926)	(54,781)	-	(576,162)	5,026,239
Profit/(Loss) for the six months ended 30.06.2015	-	-	-	-	-	70,608	70,608
Total Comprehensive Income for the six months ended 30.06.2015	-	-	-	(14,299)	-	-	(14,299)
As at 30 June 2015	5,866,808	7,300	(216,926)	(69,080)	-	(505,554)	5,082,547
Profit/(Loss) for the six months ended 30.06.2015	-	-	-	-	-	88,021	88,021
Total Comprehensive Income for the six months ended 30.06.2015	-	-	-	24,482	527,800	147	552,428
Transfers to Statutory Reserve Fund		7,931				(7,931)	-
As at 31 December 2015 (Audited)	5,866,808	15,231	(216,926)	(44,599)	527,800	(425,318)	5,722,996
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	(216,926)	(137,758)	527,800	(369,149)	5,686,004

**STATEMENT OF CASHFLOW
FOR THE PERIOD ENDED 30 JUNE 2016**

	RUPEES IN THOUSANDS	
	FOR THE PERIOD ENDED 30.06.2016	FOR THE PERIOD ENDED 30.06.2015
Cash Flow from Operating Activities		
Financing Income Received	1,777,821	1,328,634
Fees and Commission Received	97,889	78,895
Financing Expenses Paid	(885,607)	(619,894)
Foreign Exchange Income Received	183,667	183,670
Gratuity Payments Made	(231)	(2,787)
Payments to Employees and Suppliers	(903,680)	(760,947)
Operating Profit/(Loss) before Changes in Operating Assets and Liabilities	269,859	207,570
Increase / (Decrease) in Due to Other Customers	6,752,676	3,840,402
Increase / (Decrease) in Due to Banks	(2,222,900)	1,470,700
(Increase) / Decrease in Financing and Receivable to Other Customers	(3,643,095)	(2,746,252)
(Increase) / Decrease in Other Financial Assets	(458,677)	(362,296)
(Increase) / Decrease in Other Non Financial Assets	(44,669)	(21,727)
(Increase) / Decrease in Statutory Deposit	(712,453)	(714,320)
Increase / (Decrease) in Other Liabilities	(11,059)	(86,348)
Net Cash Flow from Operating Activities before Income Tax	(70,319)	1,587,730
Income Tax Paid	-	-
Net Cash Flow from Operating Activities	(70,319)	1,587,730
Cash Flows From/(Used In) Investing Activities		
Acquisition of Property, Plant & Equipment	(46,607)	(28,288)
Proceeds from Sale of Property, Plant and Equipment	-	-
Acquisition of Intangible Assets	(50,794)	(6,978)
Investments in Placements with Licensed Finance Companies	951,117	(147,228)
Investments in Placements with Bank	1,419,498	(48,649)
Sale / (Acquisition) of Financial Investments - Available for Sale	(2,705)	(44,201)
Sale / (Acquisition) of Financial Assets Held for Trading	15,041	5,897
	2,285,550	(269,447)
Cash Flows From / (Used In) Financing Activities		
Net Cash Flows From / (Used In) Financing Activities	-	-
Net Increase / (Decrease) in Cash and Cash Equivalents	2,215,231	1,318,283
Cash and Cash Equivalents at the Beginning of the Year	5,016,459	1,627,384
Cash and Cash Equivalents at the End of the Period	7,231,690	2,945,667

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 30.06.2016
Cash and Cash Equivalents	-	7,231,690	-	-	7,231,690
Balance with Central Bank of Sri Lanka	-	3,005,341	-	-	3,005,341
Derivative Financial Assets	126,754	-	-	-	126,754
Placements with Banks	-	2,191,095	-	-	2,191,095
Placements with Licensed Finance Companies	-	8	-	-	8
Financial Investments - Held for Trading	44,717	-	-	-	44,717
Financing and Receivables to Customers	-	36,740,426	-	-	36,740,426
Financial Investments - Available for Sale	-	-	-	340,261	340,261
Other Financial Assets	-	866,379	-	-	866,379
Total Financial Assets	171,471	50,034,940	-	340,261	50,546,672
Financial Liabilities					
Due to Banks	-	728,662	-	-	728,662
Derivative Financial Liabilities	38,074	-	-	-	38,074
Due to Other Customers	-	45,427,585	-	-	45,427,585
Other Financial Liabilities	-	367,791	-	-	367,791
Total Financial Liabilities	38,074	46,524,038	-	-	46,562,112

FINANCIAL ASSETS	HELD FOR TRADING	AMORTIZED COST	HELD TO MATURITY	RUPEES IN THOUSANDS	
				AVAILABLE FOR SALE	Total As at 31.12.2015 (Audited)
Cash and Cash Equivalents	-	5,016,459	-	-	5,016,459
Balance with Central Bank of Sri Lanka	-	2,292,888	-	-	2,292,888
Derivative Financial Assets	61,037	-	-	-	61,037
Placements with Banks	-	3,624,929	-	-	3,624,929
Placements with Licensed Finance Companies	-	954,528	-	-	954,528
Financial Investments - Held for Trading	59,474	-	-	-	59,474
Financing and Receivables to Customers	-	33,073,596	-	-	33,073,596
Financial Investments - Available for Sale	-	-	-	432,056	432,056
Other Financial Assets	-	456,289	-	-	456,289
Total Financial Assets	120,512	45,418,689	-	432,056	45,971,257
Financial Liabilities					
Due to Banks	-	2,955,278	-	-	2,955,278
Derivative Financial Liabilities	67,405	-	-	-	67,405
Due to Other Customers	-	38,608,001	-	-	38,608,001
Other Financial Liabilities	-	341,598	-	-	341,598
Total Financial Liabilities	67,405	41,904,876	-	-	41,972,281

02. FINANCING AND RECEIVABLES TO OTHER CUSTOMERS

	RUPEES IN THOUSANDS	
	30.06.2016	31.12.2015 (AUDITED)
Gross Financing and Receivables to Other Customers	36,966,230	33,287,572
Less: Individual Impairment	(44,189)	(47,190)
Less: Collective Impairment	(181,615)	(166,786)
Net Financing and Receivables	36,740,426	33,073,596

03. FINANCING AND RECEIVABLES TO OTHER CUSTOMERS - BY PRODUCT

	RUPEES IN THOUSANDS	
	30.06.2016	31.12.2015 (AUDITED)
By Product - Domestic Currency		
Overdraft	1,495,871	701,252
Trade Finance	2,575,934	2,133,157
Lease Receivables	6,205,529	6,122,478
Staff Facilities	440,064	401,482
Term Financing	21,576,051	19,546,650
Gold Facilities	336,484	230,435
Others	560,822	436,894
Sub Total	33,190,756	29,572,348
By Product - Foreign Currency		
Term Financing	3,536,899	3,391,699
Trade Finance	188,804	268,488
Others	49,771	55,038
Sub Total	3,775,474	3,715,225
Total	36,966,230	33,287,572

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 2015	53,949	163,713	217,662
Charge/(Write Back) for the year	(255)	3,073	2,817
Recoveries	-	-	-
Amounts written off	(6,503)	-	(6,503)
Profit accrued on Impaired Financing and Receivables	-	-	-
As at 31 December 2015 (Audited)	47,190	166,786	213,976
Charge/(Write Back) for the period	(2,289)	14,829	12,540
Recoveries	-	-	-
Amounts written off	(712)	-	(712)
Profit accrued on Impaired Financing and Receivables	-	-	-
As at 30 June 2016	44,189	181,615	225,804

05. DUE TO OTHER CUSTOMERS - BY PRODUCT

	RUPEES IN THOUSANDS	
	30.06.2016	31.12.2015 (AUDITED)
By Product - Domestic Currency		
Demand Deposits	3,713,188	2,902,293
Savings Deposits	18,080,046	15,092,496
Time Deposits	18,524,859	16,279,319
Sub Total	40,318,093	34,274,108
By Product - Foreign Currency		
Demand Deposits	298,476	234,510
Savings Deposits	1,366,258	983,282
Time Deposits	3,444,758	3,116,100
Sub Total	5,109,492	4,333,893
Total	45,427,585	38,608,001

SELECTED PERFORMANCE INDICATORS

	AS AT 30.06.2016	AS AT 31.12.2015 (AUDITED)
Regulatory Capital Adequacy		
Core Capital (Tier 1 Capital), Rs. Mn.	4,812	4,856
Total Capital Base, Rs. Mn.	4,992	5,020
Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 5%)	10.8%	12.0%
Total Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 10%)	11.2%	12.4%
Assets Quality (Quality of Financing and Advance Portfolio)		
Gross Non-Performing Financing and Advances Ratio, % (Net of Profit in Suspense)	0.95%	0.92%
Net Non-Performing Financing and Advances Ratio, % (Net of Profit in Suspense and Provisions)	0.46%	0.33%
Profitability		
Financing Margin (%)	3.4%	3.6%
Return on Assets (before Tax)	0.2%	0.4%
Return on Equity	1.9%	3.1%
Regulatory Liquidity		
Statutory Liquid Assets, Rs. Mn.	9,337	9,011
Statutory Liquid Assets Ratio, % (Minimum Requirement, 20%)		
- Domestic Banking Unit	20.7%	24.4%
- Off-Shore Banking Unit	20.7%	21.6%

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 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	589,425	1,242,319	1,831,744	232,260	30,817	2,094,821
Profit After Tax			46,547	48,125	(38,504)	56,168
Total Assets	10,208,924	26,531,503	36,740,426	11,429,817	4,308,702	52,478,945
Total Liabilities	42,282,123	3,145,462	45,427,585	729,847	635,509	46,792,941
FOR THE PERIOD ENDED 30 JUNE 2015	CONSUMER BANKING	BUSINESS BANKING	TOTAL BANKING	TREASURY	RUPEES IN THOUSANDS	
					UNALLOCATED / ELIMINATION	TOTAL
Income						
Financing Income	376,814	913,351	1,290,165	39,812	7,231	1,337,208
Net Fee and Commission Income	29,073	34,291	63,363	-	9,415	72,778
Net Trading Gain	-	-	-	183,533	-	183,533
Net Other Operating Income/(Expense)	-	-	-	3,994	-	3,994
Total Income	405,886	947,642	1,353,528	227,339	16,646	1,597,513
Profit/(Loss) After Tax			77,892	20,077	(27,362)	70,608
Total Assets	7,200,576	20,976,593	28,177,168	10,557,772	1,479,122	40,214,062
Total Liabilities	31,160,597	1,919,916	33,080,512	1,477,591	573,412	35,131,515

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 2015.
- 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 2015.
- 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 2015.

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

	2016 Rs.	2015 Rs.
Market Price as at 30 June	4.40	5.00
Highest Market Price during the quarter ended 30 June	5.30	5.50
Lowest Market Price during the quarter ended 30 June	4.40	5.00

8. Twenty Largest Shareholders as at 30 June 2016

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	120,374,674	9.62
4	Islamic Development Bank	120,374,673	9.62
5	Expolanka Holdings PLC	90,281,006	7.22
6	Hatton National Bank PLC / Amana Holdings Ltd	73,024,918	5.84
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	33,756,280	2.70
10	Mr. Sathiyamurthy Chandramohan	30,000,000	2.40
11	Al Bogari Islamic Gold DMCC	18,721,632	1.50
12	Mr. Ahamed Mihilar Mohamed Fazul Jiffry	14,284,200	1.14
13	ABC International Limited	11,920,000	0.95
14	Mr. Omar Mohamed Haji	10,000,000	0.80
15	Amana Takaful (Maldives) Pvt Ltd	9,398,344	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	5,666,667	0.45
19	Mr. Abdul Majeed Mohamedu Risvi	5,337,742	0.43
20	Mubasher Financial Services	5,082,000	0.41
Sub total		1,029,548,793	82.32
Other Shareholders (Number of Shareholders 6,843)		221,146,474	17.68
Total		1,250,695,267	100.00

Percentage of Public Holding as at 30 June 2016

31.32%

Number of Shareholders

6,834

9. Directors' holding in shares as at 30 June 2016

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. Mohammed Wahidul Haque	-
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. Faeheemul Huq (Alternate Director to Mr. Mohammed Wahidul Haque)	-
Mr. Mohd Muazzam Mohamed (Alternate Director to Mr. Wahid Ali Mohd Khalil)	-
Mr. Mohamed Azmeer (Chief Executive Officer)	150,000