



**AMÃNA BANK LIMITED**

**FINANCIAL STATEMENTS**

**31 MARCH 2014**

**AMANA BANK LIMITED**  
**INCOME STATEMENT**  
**FOR THE PERIOD ENDED 31 MARCH 2014**

FOR THE THREE MONTHS ENDED 31 MARCH	Rupees in Thousands		Change %
	2014	2013	
Financing Income	600,442	372,554	61.2
Financing Expenses	(291,743)	(236,116)	23.6
<b>Net Financing Income</b>	<b>308,699</b>	<b>136,438</b>	<b>126.3</b>
Net Fee and Commission Income	28,724	22,208	29.3
Net Gain/(Loss) from Trading	32,173	66,194	-51.4
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	9,041	15	60250.5
<b>Total Operating Income</b>	<b>378,637</b>	<b>224,855</b>	<b>68.4</b>
<b>Impairment for Financing and Receivables to Other Customers and Other Losses</b>			
Individual Impairment	(16,379)	327	-5103.8
Collective Impairment	(16,484)	248	-6758.1
Others	-	-	0.0
<b>Net Operating Income</b>	<b>345,774</b>	<b>225,430</b>	<b>53.4</b>
Personnel Expenses	210,158	157,548	33.4
Depreciation of Property, Plant and Equipment	39,997	35,783	11.8
Amortisation of Intangible Assets	9,432	7,102	32.8
Other Operating Expenses	127,944	97,682	31.0
<b>Total Operating Expenses</b>	<b>387,530</b>	<b>298,115</b>	<b>30.0</b>
<b>Operating Profit/(Loss) Before Value Added Tax</b>	<b>(41,756)</b>	<b>(72,685)</b>	<b>-42.6</b>
Value Added Tax on Financial Services	(7,569)	-	0.0
<b>Profit/(Loss) Before Tax</b>	<b>(49,325)</b>	<b>(72,685)</b>	<b>-32.1</b>
Tax (Expenses)/Reversal	-	-	0.0
<b>Profit/(Loss) for the Period</b>	<b>(49,325)</b>	<b>(72,685)</b>	<b>-32.1</b>
<b>Earnings/(Loss) Per Share - Basic / Diluted</b>	<b>(0.04)</b>	<b>(0.08)</b>	

**AMANA BANK LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 31 MARCH 2014**

FOR THE THREE MONTHS ENDED 31 MARCH	Rupees in Thousands		Change %
	2014	2013	
<b>Profit/(Loss) for the Period</b>	<b>(49,325)</b>	<b>(72,685)</b>	<b>-32.1</b>
<b>Other Comprehensive Income/(Loss)</b>			
Net Gain/(Loss) on Financial Investments - Available for Sale	(27,284)	(31,666)	-13.8
Re-measurement gain /(loss) on defined benefit plans	-	-	0.0
<b>Total Other Comprehensive Income/(Loss)</b>	<b>(27,284)</b>	<b>(31,666)</b>	<b>-13.8</b>
Deferred tax effect on defined benefit plans	-	-	0.0
<b>Other Comprehensive Income/(Loss) for the Period Net of Tax</b>	<b>(27,284)</b>	<b>(31,666)</b>	<b>-13.8</b>
<b>Total Comprehensive Income/(Loss) for the Period Net of Tax</b>	<b>(76,608)</b>	<b>(104,351)</b>	<b>-26.6</b>

**AMANA BANK LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2014**

	Rupees in Thousands		Change %
	As at 31.03.2014	As at 31.12.2013 (Audited)	
<b>Assets</b>			
Cash and Cash Equivalents	3,252,815	2,444,552	33.1
Balances with Central Bank of Sri Lanka	685,049	685,320	0.0
Derivative Financial Assets	24,995	21,471	16.4
Placements with Banks	1,344,068	1,737,896	-22.7
Placements with Licensed Finance Companies	2,426,758	661,958	266.6
Financial Investments - Held for Trading	110,265	175,335	-37.1
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	15,315,351	15,015,318	2.0
Financial Investments - Available for Sale	462,340	600,338	-23.0
Financial Investments - Held to Maturity	-	-	0.0
Other Financial Assets	595,619	519,546	14.6
Other Non Financial Assets	301,952	240,778	25.4
Property, Plant and Equipment	829,421	852,961	-2.8
Intangible Assets	276,828	283,028	-2.2
Deferred Tax Assets	159,355	159,355	0.0
<b>Total Assets</b>	<b>25,784,816</b>	<b>23,397,856</b>	<b>10.2</b>
<b>Liabilities</b>			
Due to Banks	-	-	0.0
Derivative Financial Liabilities	6,639	3,131	112.0
Other Financial Liabilities - Held for Trading	-	-	0.0
Financial Liabilities designated at Fair Value through Profit or Loss	-	-	0.0
Due to Other Customers	20,444,459	17,983,112	13.7
Other Financing	-	-	0.0
Securities issued	-	-	0.0
Other Financial Liabilities	251,217	290,820	-13.6
Other Non Financial Liabilities	46,495	13,689	239.7
Subordinated Term Financing	-	-	0.0
Retirement Benefit Liability	50,582	45,071	12.2
<b>Total Liabilities</b>	<b>20,799,392</b>	<b>18,335,823</b>	<b>13.4</b>
<b>Shareholders' Fund</b>			
Stated Capital	5,866,808	5,866,808	0.0
Statutory Reserve Fund	7,300	7,300	0.0
Other Reserves	(309,374)	(282,090)	9.7
Retained Earnings	(579,310)	(529,985)	9.3
<b>Total Equity</b>	<b>4,985,424</b>	<b>5,062,033</b>	<b>-1.5</b>
<b>Total Liabilities and Shareholders' Fund</b>	<b>25,784,816</b>	<b>23,397,856</b>	<b>10.2</b>
<b>Net Asset Value per Ordinary Share</b>	<b>3.99</b>	<b>4.99</b>	
<b>Commitment and Contingencies</b>	<b>14,648,968</b>	<b>7,641,018</b>	
<b>Memorandum Information</b>			
Number of Employees	560	558	
Number of Branches	24	24	

**CERTIFICATION:**

I certify that these Financial Statements comply with the requirements of the Companies Act No.7 of 2007.

(Sgd)  
**M. Ali Wahid**  
 Chief Financial Officer  
 9 May 2014

We, the undersigned, being the Acting 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**  
 Acting Chief Executive Officer  
 9 May 2014

(Sgd)  
**Osman Kassim**  
 Chairman  
 9 May 2014

(Sgd)  
**Jazri Magdon Ismail**  
 Director  
 9 May 2014

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2014**

	Stated Capital		Statutory Reserve Fund	Other Reserves			Retained Earnings	Total
	Stated Capital	Capital Funds Raised Pending Allotment of Shares		Investment Fund	Revenue Reserve	Available for Sale Reserve		
	Rs.	Rs.		Rs.	Rs.	Rs.		
<b>As at 1 January 2013 (Audited)</b>	3,431,612	-	7,300	28,461	(161,472)	(37,544)	(197,142)	3,071,215
Profit/(Loss) for the three months ended 31.03.2013	-	-	-	-	-	-	(72,685)	(72,685)
Total Comprehensive Income for the three months ended 31.03.2013	-	-	-	-	-	(31,666)	-	(31,666)
Rights Issue - Pending Allotment	-	55,518	-	-	-	-	-	55,518
<b>As at 31 March 2013</b>	<b>3,431,612</b>	<b>55,518</b>	<b>7,300</b>	<b>28,461</b>	<b>(161,472)</b>	<b>(69,210)</b>	<b>(269,827)</b>	<b>3,022,381</b>
Profit/(Loss) for the nine months ended 31.12.2013	-	-	-	-	-	-	(244,348)	(244,348)
Total Comprehensive Income for the nine months ended 31.12.2013	-	-	-	-	-	(35,370)	(4,854)	(40,224)
Rights Issue	785,210	(55,518)	-	-	-	-	-	729,692
IPO Share Issue - Pending Allotment	-	1,649,987	-	-	-	-	-	1,649,987
Share Issue Expenses	-	-	-	-	(55,454)	-	-	(55,454)
Transfers to Investment Fund	-	-	-	10,956	-	-	(10,956)	-
<b>As at 31 December 2013 (Audited)</b>	<b>4,216,821</b>	<b>1,649,987</b>	<b>7,300</b>	<b>39,417</b>	<b>(216,926)</b>	<b>(104,580)</b>	<b>(529,985)</b>	<b>5,062,033</b>
IPO Share Issue - Allotment	1,649,987	(1,649,987)	-	-	-	-	-	-
Profit/(Loss) for the three months ended 31.03.2013	-	-	-	-	-	-	(49,325)	(49,325)
Total Comprehensive Income for the three months ended 31.03.2013	-	-	-	-	-	(27,284)	-	(27,284)
Transfers to Investment Fund	-	-	-	-	-	-	-	-
<b>As at 31 March 2014</b>	<b>5,866,808</b>	<b>-</b>	<b>7,300</b>	<b>39,417</b>	<b>(216,926)</b>	<b>(131,864)</b>	<b>(579,310)</b>	<b>4,985,424</b>

**AMANA BANK LIMITED**  
**STATEMENT OF CASHFLOW**  
**FOR THE PERIOD ENDED 31 MARCH 2014**

	Rupees in Thousands	
	For the Period Ended 31.03.2014	Year Ended 31.12.2013 (Audited)
<b>Cash Flow from Operating Activities</b>		
Financing Income Received	540,596	1,711,325
Fees and Commission Received	27,250	126,226
Financing Expenses Paid	(290,815)	(1,002,545)
Foreign Exchange Income Received	45,057	243,379
Gratuity Payments	-	(891)
Payments to Employees and Suppliers	(343,453)	(1,191,351)
<b>Operating Profit/(Loss) before Changes in Operating Assets and Liabilities</b>	<b>(21,365)</b>	<b>(113,857)</b>
Increase / (Decrease) in Due to Other Customers	2,460,419	4,633,147
(Increase) / Decrease in Financing and Receivable to Other Customers	(291,973)	(7,907,275)
(Increase) / Decrease in Other Financial Assets	(70,358)	97,876
(Increase) / Decrease in Other Non Financial Assets	(61,173)	(10,406)
(Increase) / Decrease in Statutory Deposit	272	179,974
Increase / (Decrease) in Other Liabilities	(5,654)	(15,419)
<b>Net Cash Flow from Operating Activities before Income Tax</b>	<b>2,010,168</b>	<b>(3,135,960)</b>
Income Tax Paid	-	-
<b>Net Cash Flow from Operating Activities</b>	<b>2,010,168</b>	<b>(3,135,960)</b>
<b>Cash Flows From/(Used In) Investing Activities</b>		
Acquisition of Property, Plant and Equipment	(16,466)	(337,538)
Proceeds from Sale of Property, Plant and Equipment	5	-
Acquisition of Intangible Assets	(3,233)	(95,641)
Withdrawal/ (Investments) in Placements with Licensed Finance Companies	(1,748,028)	999,827
Withdrawal/ (Investments) in Inter Bank Placements	390,033	(907,770)
Sale / (Acquisition) of Financial Investments - Available for Sale	110,715	(175,374)
Sale / (Acquisition) of Financial Assets Held for Trading	65,070	(149,526)
<b>Net Cash Flows Used in Investing Activities</b>	<b>(1,201,904)</b>	<b>(666,022)</b>
<b>Cash Flows From/(Used In) Financing Activities</b>		
Proceeds from Right Issue of Shares	-	785,210
Proceeds from IPO Share Issues	-	1,649,987
Share Issue Expenses	-	(55,454)
<b>Net Cash Flows From Financing Activities</b>	<b>-</b>	<b>2,379,742</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>808,264</b>	<b>(1,422,240)</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>2,444,552</b>	<b>3,866,793</b>
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>3,252,815</b>	<b>2,444,552</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 31.03.2014
Cash and Cash Equivalent	-	3,252,815	-	-	3,252,815
Balance with Central Bank of Sri Lanka	-	685,049	-	-	685,049
Derivative Financial Assets	24,995	-	-	-	24,995
Placements with Banks	-	1,344,068	-	-	1,344,068
Placements with Licensed Finance Companies	-	2,426,758	-	-	2,426,758
Financial Investments - Held for Trading	110,265	-	-	-	110,265
Financing and Receivables to Customers	-	15,315,351	-	-	15,315,351
Financial Investments - Available for Sale	-	-	-	462,340	462,340
Other Financial Assets	-	595,619	-	-	595,619
<b>Total Financial Assets</b>	<b>135,260</b>	<b>23,619,660</b>	<b>-</b>	<b>462,340</b>	<b>24,217,259</b>
<b>Financial Liabilities</b>					
Derivative Financial Liabilities	6,639	-	-	-	6,639
Due to Other Customers	-	20,444,459	-	-	20,444,459
Other Financial Liabilities	-	251,217	-	-	251,217
<b>Total Financial Liabilities</b>	<b>6,639</b>	<b>20,695,676</b>	<b>-</b>	<b>-</b>	<b>20,702,315</b>

Financial Assets	Held for Trading	Amortized Cost	Held to Maturity	Rupees in Thousands	
				Available for Sale	Total As at 31.12.2013 (Audited)
Cash and Cash Equivalent	-	2,444,552	-	-	2,444,552
Balance with Central Bank of Sri Lanka	-	685,320	-	-	685,320
Derivative Financial Assets	21,471	-	-	-	21,471
Placements with Banks	-	1,737,896	-	-	1,737,896
Placements with Licensed Finance Companies	-	661,958	-	-	661,958
Financial Investments - Held for Trading	175,335	-	-	-	175,335
Financing and Receivables to Customers	-	15,015,318	-	-	15,015,318
Financial Investments - Available for Sale	-	-	-	600,338	600,338
Other Financial Assets	-	519,546	-	-	519,546
<b>Total Financial Assets</b>	<b>196,805</b>	<b>21,064,591</b>	<b>-</b>	<b>600,338</b>	<b>21,861,735</b>
<b>Financial Liabilities</b>					
Derivative Financial Liabilities	3,131	-	-	-	3,131
Due to Other Customers	-	17,983,112	-	-	17,983,112
Other Financial Liabilities	-	290,820	-	-	290,820
<b>Total Financial Liabilities</b>	<b>3,131</b>	<b>18,273,931</b>	<b>-</b>	<b>-</b>	<b>18,277,062</b>

02. FINANCING AND RECEIVABLES TO OTHER CUSTOMERS

	31.03.2014 Rs. '000	31.12.2013 Rs. '000 (Audited)
Gross Financing and Receivables to Other Customers	15,471,925	15,139,029
Less: Individual Impairment	(29,043)	(12,664)
Less: Collective Impairment	(127,531)	(111,047)
<b>Net Financing and Receivables</b>	<b>15,315,351</b>	<b>15,015,318</b>

03. FINANCING AND RECEIVABLES TO OTHER CUSTOMERS - BY PRODUCT

	31.03.2014 Rs. '000	31.12.2013 Rs. '000 (Audited)
<b>By Product - Domestic Currency</b>		
Overdrawn Current Accounts	15,446	16,544
Trade Finance	1,069,131	1,308,647
Lease Receivables	1,315,448	1,282,418
Staff Facilities	149,123	138,078
Term Financing	9,011,572	7,908,470
Others	3,313,732	3,647,210
<b>Sub Total</b>	<b>14,874,452</b>	<b>14,301,366</b>
<b>By Product - Foreign Currency</b>		
Term Financing	342,380	837,663
Others	255,093	-
<b>Sub Total</b>	<b>597,473</b>	<b>837,663</b>
<b>Total</b>	<b>15,471,925</b>	<b>15,139,029</b>

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

	Individual Impairment Rs. '000	Collective Impairment Rs. '000	Total Impairment Rs. '000
At 1 January 2013	327	42,829	43,157
Charge/(Write Back) for the year	10,852	68,218	79,071
Recoveries	-	-	-
Amounts written off	1,484	-	1,484
Profit accrued on Impaired Financing and Receivables	-	-	-
<b>As at 31 December 2013 (Audited)</b>	<b>12,664</b>	<b>111,047</b>	<b>123,711</b>
Charge/(Write Back) for the period	16,379	16,484	32,863
Recoveries	-	-	-
Amounts written off	-	-	-
Profit accrued on Impaired Financing and Receivables	-	-	-
<b>As at 31 March 2014</b>	<b>29,043</b>	<b>127,531</b>	<b>156,575</b>

05. DUE TO OTHER CUSTOMERS - BY PRODUCT

	31.03.2014 Rs. '000	31.12.2013 Rs. '000 (Audited)
<b>By Product - Domestic Currency</b>		
Demand Deposits	1,489,094	1,510,337
Savings Deposits	8,617,942	7,897,275
Time Deposits	9,480,229	7,825,152
<b>Sub Total</b>	<b>19,587,265</b>	<b>17,232,765</b>
<b>By Product - Foreign Currency</b>		
Demand Deposits	80,103	71,470
Savings Deposits	404,090	322,690
Time Deposits	373,001	356,187
<b>Sub Total</b>	<b>857,194</b>	<b>750,347</b>
<b>Total</b>	<b>20,444,459</b>	<b>17,983,112</b>

06. SELECTED PERFORMANCE INDICATORS

	As at 31.03.2014	As at 31.12.2013 (Audited)
<b>Regulatory Capital Adequacy</b>		
Core Capital (Tier 1 Capital), Rs. Mn.	4,608	4,683
Total Capital Base, Rs. Mn.	4,683	4,757
Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 5%)	18.4%	21.2%
Total Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 10%)	18.7%	21.5%
<b>Assets Quality (Quality of Financing and Advance Portfolio)</b>		
Gross Non-Performing Financing and Advances Ratio, % (Net of Profit in Suspense)	2.06%	1.84%
Net Non-Performing Financing and Advances Ratio, % (Net of Profit in Suspense and Provisions)	1.23%	1.11%
<b>Profitability</b>		
Financing Margin (%)	5.1%	3.6%
Return on Assets (before Tax)	(0.8%)	(2.2%)
Return on Equity	(3.9%)	(10.8%)
<b>Regulatory Liquidity</b>		
Statutory Liquid Assets, Rs. Mn.	4,927	4,239
Statutory Liquid Assets Ratio, % (Minimum Requirement, 20%)		
- Domestic Banking Unit	24.0%	22.6%
- Off-Shore Banking Unit	24.1%	22.8%



## 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 2013.
- 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 2013.
- 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 2013.
- Market Price of Ordinary Shares (the Bank listed its ordinary shares on the Colombo Stock Exchange on 29 January 2014)**

	2014 Rs.	2013 Rs.
Market Price as at 31 March	5.20	-
Highest Market Price during the quarter ended 31 March	7.10	-
Lowest Market Price during the quarter ended 31 March	5.00	-

- Twenty Largest Shareholders as at 31 March 2014

Name of Shareholder	No. of Shares	%
Bank Islam Malaysia Berhad	180,562,011	14.44
AB Bank Limited	180,562,010	14.44
Akbar Brothers (Pvt) Ltd	124,849,499	9.98
Islamic Development Bank	120,374,673	9.62
Expolanka Holdings PLC	90,281,006	7.22
Millenium Capital Investment PTE. Limited	43,056,201	3.44
Mr. Nagi Saleh Mohammed Al Faqih	37,384,600	2.99
Mr. Ahamed Mihilar Mohamed Fazul Jiffry	35,714,200	2.86
Trans Asia Trading Company	33,756,280	2.70
Mr. Sathiyamurthy Chandramohan	30,000,000	2.40
Mr. Kevin Mark Pocock	27,084,302	2.17
Amana Holdings Limited	21,370,217	1.71
Mr. Khaldoon Al Asmar	14,722,200	1.18
Mr. Riyaz Mohamed Sangani	12,867,052	1.03
ABC International Limited	11,920,000	0.95
Amana Takaful (Maldives) Pvt Ltd	9,398,344	0.75
LEL Investments (Pvt) Limited	9,210,013	0.74
Mrs. Sabera Riyaz Sangani	8,571,000	0.69
Pan Asia Banking Corporation PLC / Lanka Commodity Brokers Ltd	7,142,800	0.57
Mrs. Nabila Qureshi	6,534,733	0.52
Sub total	1,005,361,141	80.38
Other Shareholders	245,334,126	19.62
Total	1,250,695,267	100.00

Percentage of Public Holding as at 31 March 2014

40.15%

- Directors' holding in shares as at 31 March 2014

Name of Director	No. of Shares
Mr. Osman Kassim	233,354
Mr. Tyeab Akbarally	26
Mr. Faizal Salieh (Managing Director/CEO)	1
Dato' A Tajudin B.H Abdul Rahman	-
Dr. A. A. M Haroon	8
Mr. Mohamed Jazri Magdon Ismail	13,500
Mr. Ruzly Hussain	-
Mr. Angelo M. Patrick	-
Mr. Haseeb Ullah Siddiqui	-
Mr. Jeroen P. M. M. Thijs	-
Mr. Wahid Ali Mohd Khalil	-
Mr. Harsha Amarasekera PC	-
Mr. Badrul Haque Khan	-
Dato' Wan Ismail Wan Yusoh (Alternate Director to Mr. Wahid Ali Mohd Khalil)	-
Mr. Huzefa Inayetally Akbarally (Alternate Director to Mr. Tyeab Akbarally)	1
Mr. Khairul Muzamel Perera Bin Abdullah (Alternate Director to Mr. Jeroen Petrus Margaretha Maria Thijs)	-
Mr. Mohamed Faizel Mohamed Haddad (Alternate Director to Mr. Osman Kassim)	-
Mr. Kevin Mark Pocock (Alternate Director to Mr. Harsha Amarasekera, PC)	27,084,302