



AMÃNA BANK PLC (PB 3618 PQ)

FINANCIAL STATEMENTS

31 DECEMBER 2016

	RUPEES IN THOUSANDS			RUPEES IN THOUSANDS		
	FOR THE YEAR ENDED 31 DECEMBER		Change %	FOR THE QUARTER ENDED 31 DECEMBER		Change %
	2016	2015		2016	2015	
Financing Income	4,039,624	2,885,932	40.0	1,143,430	804,913	42.1
Financing Expenses	(2,115,335)	(1,405,259)	50.5	(618,999)	(405,211)	52.8
Net Financing Income	1,924,289	1,480,672	30.0	524,431	399,702	31.2
Net Fee and Commission Income	246,568	168,556	46.3	55,801	49,145	13.5
Net Gain/(Loss) from Trading	257,455	390,235	(34.0)	69,853	110,157	(36.6)
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	4,961	27,659	(82.1)	1,339	3,122	(57.1)
Total Operating Income	2,433,273	2,067,122	17.7	651,424	562,126	15.9
Impairment Revesal / (Charge)for Financing and Receivables to Other Customers and Other Losses						
Individual Impairment	(40,156)	255	(15,821.4)	(27,172)	4,478	(706.8)
Collective Impairment	(27,830)	(3,073)	805.7	(4,201)	41,835	110.0
Others	(149,192)	-	0.0	(149,192)	-	0.0
Net Operating Income	2,216,094	2,064,304	7.4	470,859	608,439	(22.6)
Personnel Expenses	1,025,032	908,237	12.9	221,927	239,931	(7.5)
Depreciation of Property, Plant and Equipment	162,621	150,818	7.8	40,893	34,848	17.3
Amortisation of Intangible Assets	78,635	40,881	92.3	18,497	10,251	80.4
Other Operating Expenses	678,729	593,404	14.4	185,226	177,685	4.2
Total Operating Expenses	1,945,018	1,693,341	14.9	466,543	462,714	0.8
Operating Profit Before Value Added Tax & Nation Building Tax	271,077	370,964	(26.9)	4,316	145,725	(97.0)
Value Added Tax on Financial Services & Nation Building Tax	(168,266)	(152,248)	10.5	(42,437)	(48,248)	(12.0)
Profit Before Tax	102,811	218,716	(53.0)	(38,121)	97,476	(139.1)
Tax (Expenses)/Reversal	(62,171)	(60,087)	3.5	(22,710)	(60,087)	(62.2)
Profit for the Period	40,640	158,629	(74.4)	(60,831)	37,390	(262.7)
Earnings Per Share - Basic / Diluted	0.03	0.13	(74.4)	(0.05)	0.03	(262.7)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	RUPEES IN THOUSANDS			RUPEES IN THOUSANDS		
	FOR THE YEAR ENDED 31 DECEMBER		Change %	FOR THE QUARTER ENDED 31 DECEMBER		Change %
	2016	2015		2016	2015	
Profit/(Loss) for the Period	40,640	158,629	(74.4)	(60,831)	37,390	(262.7)
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	(131,462)	10,182	-1,391.1	(34,518)	22,432	-253.9
Reclassification to Profit or Loss as Impairment	126,043	-	0.0	126,043	-	0.0
Net Other Comprehensive Income to be reclassified to Profit or Loss	(5,419)	10,182	-153.2	91,524	22,432	347.0
Other Comprehensive Income not to be reclassified to Profit or Loss :						
Revaluation surplus on Property Plant & Equipment	-	533,341	-100.0	-	533,341	-100.0
Deferred tax effect on revaluation surplus	-	(5,541)	-100.0	-	(5,541)	-100.0
	-	527,800	-100.0	-	527,800	-100.0
Other Comprehensive Income not to be reclassified to Profit or Loss :						
Re-measurement gain /(loss) on defined benefit plans	9,275	204	44.5	9,275	204	44.5
Deferred tax effect on defined benefit plans	(2,597)	(57)	44.5	(2,597)	(57)	44.5
Net Other Comprehensive Income not to be reclassified to Profit or Loss	6,678	147	44.5	6,678	147	44.5
Other Comprehensive Income/(Loss) for the Period Net of Tax	1,259	538,128	-99.8	98,203	550,378	-80.6
Total Comprehensive Income/(Loss) for the Period Net of Tax	41,900	696,759	(94.0)	37,371	587,769	(92.2)

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	RUPEES IN THOUSANDS		Change %
	AS AT 31.12.2016	AS AT 31.12.2015	
Assets			
Cash and Cash Equivalents	5,686,924	5,016,459	13.4
Balances with Central Bank of Sri Lanka	2,816,770	2,292,888	22.8
Derivative Financial Assets	59,483	61,037	(2.5)
Placements with Banks	4,662,466	3,624,929	28.6
Placements with Licensed Finance Companies	21	954,528	(100.0)
Financial Investments - Held for Trading	45,182	59,474	(24.0)
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	38,451,662	33,073,596	16.3
Financial Investments - Available for Sale	394,775	432,056	(8.6)
Financial Investments - Held to Maturity	-	-	0.0
Other Financial Assets	307,322	315,749	(2.7)
Other Non Financial Assets	227,059	257,217	(11.7)
Property, Plant and Equipment	1,247,591	1,271,732	(1.9)
Intangible Assets	269,376	236,503	13.9
Deferred Tax Assets	146,356	145,703	0.4
Total Assets	54,314,987	47,741,872	13.8
Liabilities			
Due to Banks	751,964	2,955,278	(74.6)
Derivative Financial Liabilities	98,341	67,405	45.9
Other Financial Liabilities - Held for Trading	-	-	0.0
Financial Liabilities Designated at Fair Value through Profit or Loss	-	-	0.0
Due to Other Customers	46,915,290	38,467,461	22.0
Other Financing	-	-	0.0
Securities Issued	-	-	0.0
Other Financial Liabilities	566,565	341,598	65.9
Other Non Financial Liabilities	112,175	113,063	(0.8)
Subordinated Term Financing	-	-	0.0
Retirement Benefit Liability	82,606	74,071	11.5
Total Liabilities	48,526,942	42,018,876	15.5
Shareholders' Funds			
Stated Capital	5,866,808	5,866,808	0.0
Statutory Reserve Fund	17,258	15,231	13.3
Revaluation Reserves	527,800	527,800	0.0
Other Reserves	(243,795)	(261,525)	6.8
Retained Earnings	(380,027)	(425,318)	10.6
Total Equity	5,788,045	5,722,996	1.1
Total Liabilities and Shareholders' Funds	54,314,987	47,741,872	13.8
Net Asset Value per Ordinary Share	4.63	4.58	
Commitments and Contingencies	26,191,124	18,272,603	
Memorandum Information			
Number of Employees	718	640	
Number of Branches	28	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

27 February 2016

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

27 February 2016

Sgd.

Osman Kassim

Chairman

27 February 2016

Sgd.

Jazri Magdon Ismail

Director

27 February 2016

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 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 for the Year	-	-	-	-	-	158,629	158,629
Total Comprehensive Income for the Year	-	-	-	10,182	527,800	147	538,128
Transfers to Statutory Reserve Fund		7,927				(7,927)	-
As at 31 December 2015	5,866,808	15,226	(216,926)	(44,599)	527,800	(425,313)	5,722,996
Profit for the Year	-	-	-	-	-	40,640	40,640
Total Comprehensive Income for the Year	-	-	-	(5,419)	-	6,678	1,259
Transfers to Reserve	-	-	-	23,149	-	-	23,149
Transfers to Statutory Reserve Fund	-	2,032	-	-	-	(2,032)	-
Realisation of Revaluation Reserve	-	-	-	-	(891)	891	-
As at 31 December 2016	5,866,808	17,258	(216,926)	(26,868)	527,800	(380,027)	5,788,045

**STATEMENT OF CASHFLOW
FOR THE YEAR ENDED 31 DECEMBER 2016**

	RUPEES IN THOUSANDS	
	FOR THE YEAR ENDED 31.12.2016	FOR THE YEAR ENDED 31.12.2015
Cash Flow from Operating Activities		
Financing Income Received	3,647,182	2,837,480
Fees and Commission Received	259,454	169,021
Financing Expenses Paid	(1,935,627)	(1,337,511)
Foreign Exchange Income Received	262,798	390,175
Gratuity Payments Made	(5,498)	(4,477)
Payments to Employees and Suppliers	(1,685,128)	(1,605,791)
Operating Profit/(Loss) before Changes in Operating Assets and Liabilities	543,182	448,897
(Increase) / Decrease in Operating Assets		
Financing and Receivable to Other Customers	(5,235,284)	(7,621,152)
Other Financial Assets	188,517	(216,921)
Other Non Financial Assets	30,158	48,973
Statutory Deposit	(523,882)	(1,256,462)
Increase / (Decrease) in Operating Liabilities		
Due to Other Customers	8,125,166	9,319,801
Due to Banks	(2,200,900)	2,951,400
Other Liabilities	180,382	(86,118)
Net Cash Flow from Operating Activities before Income Tax	1,107,338	3,588,418
Income Tax Paid	-	-
Net Cash Flows From / (Used In) Operating Activities	1,107,338	3,588,418
Cash Flows From/(Used In) Investing Activities		
Acquisition of Property, Plant & Equipment	(181,573)	(79,158)
Proceeds from Sale of Property, Plant and Equipment	-	2,579
Acquisition of Intangible Assets	(78,987)	(37,618)
Investments in Placements with Licensed Finance Companies	951,105	202,720
Investments in Placements with Bank	(1,048,105)	(311,171)
Sale / (Acquisition) of Financial Investments - Available for Sale	(96,699)	24,757
Sale / (Acquisition) of Financial Assets Held for Trading	9,285	(8,413)
Dividend Received from Financial Assets	8,100	6,963
Net Cash Flows From / (Used In) Investing Activities	(436,873)	(199,342)
Cash Flows From / (Used In) Financing Activities		
Net Cash Flows From / (Used In) Financing Activities	-	-
Net Increase / (Decrease) in Cash and Cash Equivalents	670,465	3,389,075
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	5,686,924	5,016,459

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 31.12.2016
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	-	-	-	394,775	394,775
Other Financial Assets	-	307,322	-	-	307,322
Total Financial Assets	104,665	51,925,165	-	394,775	52,424,605
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	48,233,818	-	-	48,332,160

FINANCIAL ASSETS	HELD FOR TRADING	AMORTIZED COST	HELD TO MATURITY	RUPEES IN THOUSANDS	
				AVAILABLE FOR SALE	Total As at 31.12.2015
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	-	315,749	-	-	315,749
Total Financial Assets	120,512	45,278,149	-	432,056	45,830,717
Financial Liabilities					
Due to Banks	-	2,955,278	-	-	2,955,278
Derivative Financial Liabilities	67,405	-	-	-	67,405
Due to Other Customers	-	38,467,461	-	-	38,467,461
Other Financial Liabilities	-	341,598	-	-	341,598
Total Financial Liabilities	67,405	41,764,336	-	-	41,831,742

02. FINANCING AND RECEIVABLES TO OTHER CUSTOMERS

	RUPEES IN THOUSANDS	
	31.12.2016	31.12.2015
Gross Financing and Receivables to Other Customers	38,732,202	33,287,572
Less: Individual Impairment	(85,923)	(47,190)
Less: Collective Impairment	(194,616)	(166,786)
Net Financing and Receivables	38,451,662	33,073,596

03. FINANCING AND RECEIVABLES TO OTHER CUSTOMERS - BY PRODUCT

	RUPEES IN THOUSANDS	
	31.12.2016	31.12.2015
By Product - Domestic Currency		
Overdraft	2,170,215	701,252
Trade Finance	2,669,788	2,133,157
Lease Receivables	6,081,726	6,122,478
Staff Facilities	611,368	401,482
Term Financing	22,826,820	19,546,650
Gold Facilities	710,272	230,435
Others	741,569	436,894
Sub Total	35,811,758	29,572,348
By Product - Foreign Currency		
Term Financing	2,624,063	3,391,699
Trade Finance	39,043	268,488
Others	257,337	55,038
Sub Total	2,920,444	3,715,225
Total	38,732,202	33,287,572

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	47,190	166,786	213,976
Charge/(Write Back) for the period	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	85,923	194,616	280,540

05. DUE TO OTHER CUSTOMERS - BY PRODUCT

	RUPEES IN THOUSANDS	
	31.12.2016	31.12.2015
By Product - Domestic Currency		
Demand Deposits	2,710,018	2,761,753
Savings Deposits	17,688,649	15,092,496
Time Deposits	21,109,031	16,279,319
Sub Total	41,507,698	34,133,568
By Product - Foreign Currency		
Demand Deposits	153,683	234,510
Savings Deposits	1,314,824	983,282
Time Deposits	3,939,085	3,116,100
Sub Total	5,407,592	4,333,893
Total	46,915,290	38,467,461

SELECTED PERFORMANCE INDICATORS

	AS AT 31.12.2016	AS AT 31.12.2015
Regulatory Capital Adequacy		
Core Capital (Tier 1 Capital), Rs. Mn.	5,288	5,240
Total Capital Base, Rs. Mn.	5,062	5,020
Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 5%)	10.4%	12.0%
Total Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 10%)	10.8%	12.4%
Assets Quality (Quality of Financing and Advance Portfolio)		
Gross Non-Performing Financing and Advances Ratio, % (Net of Profit in Suspense)	0.89%	0.92%
Net Non-Performing Financing and Advances Ratio, % (Net of Profit in Suspense and Provisions)	0.38%	0.33%
Profitability		
Financing Margin (%)	3.6%	3.6%
Return on Assets (before Tax)	0.1%	0.4%
Return on Equity	0.7%	3.1%
Regulatory Liquidity		
Statutory Liquid Assets, Rs. Mn.	10,771	9,011
Statutory Liquid Assets Ratio, % (Minimum Requirement, 20%)		
- Domestic Banking Unit	22.6%	24.4%
- Off-Shore Banking Unit	26.9%	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 31 DECEMBER 2016	CONSUMER BANKING	BUSINESS BANKING	TOTAL BANKING	TREASURY	RUPEES IN THOUSANDS	
					UNALLOCATED / ELIMINATION	TOTAL
Income						
Financing Income	1,228,477	2,723,377	3,951,854	79,956	7,814	4,039,624
Net Fee and Commission Income	97,646	138,455	236,101	-	10,468	246,568
Net Trading Gain	-	-	-	257,455	-	257,455
Net Other Operating Income/(Expense)	-	-	-	4,961	-	4,961
Total	1,326,123	2,861,832	4,187,954	342,372	18,282	4,548,608
Profit After Tax						
			105,587	72,454	(137,401)	40,640
Total Assets						
	10,767,386	27,684,276	38,451,662	11,974,078	3,889,246	54,314,987
Total Liabilities						
	43,664,120	3,251,170	46,915,290	755,293	856,359	48,526,941
FOR THE PERIOD ENDED 31 DECEMBER 2015	CONSUMER BANKING	BUSINESS BANKING	TOTAL BANKING	TREASURY	RUPEES IN THOUSANDS	
					UNALLOCATED / ELIMINATION	TOTAL
Income						
Financing Income	845,733	1,919,912	2,765,645	100,880	19,407	2,885,932
Net Fee and Commission Income	77,909	87,563	165,472	-	3,084	168,556
Net Trading Gain	-	-	-	390,235	-	390,235
Net Other Operating Income/(Expense)	-	-	-	26,011	1,648	27,659
Total Income	923,642	2,007,475	2,931,117	517,126	24,139	3,472,381
Profit/(Loss) After Tax						
			146,457	102,084	(89,912)	158,629
Total Assets						
	9,572,234	23,501,362	33,073,596	12,413,617	2,254,659	47,741,872
Total Liabilities						
	35,851,851	2,615,610	38,467,461	2,957,802	593,613	42,018,876

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 31 December	4.00	5.00
Highest Market Price during the quarter ended 31 December	4.20	5.50
Lowest Market Price during the quarter ended 31 December	3.50	5.00

8. Twenty Largest Shareholders as at 31 December 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	124,849,499	9.98
4	Islamic Development Bank	120,374,673	9.62
5	Expolanka Holdings PLC	90,281,006	7.22
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	ABC International Limited	11,920,000	0.95
14	Mr. Omar Mohamed Haji	10,300,000	0.82
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	5,756,667	0.46
19	Mr. Abdul Majeed Mohamedu Risvi	5,433,690	0.43
20	Mr. Farook Kassim	5,232,644	0.42
Sub total		1,035,913,263	82.83
Other Shareholders (Number of Shareholders 6,848)		214,782,004	17.17
Total		1,250,695,267	100.00

Percentage of Public Holding as at 31 December 2016

31.31%

Number of Shareholders

6,840

9. Directors' holding in shares as at 31 December 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. Faeemul 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