



**AMÃNA BANK PLC (PB 3618 PQ)**

**FINANCIAL STATEMENTS**

**30 JUNE 2018**

**AMANA BANK PLC (PB 3618 PQ)**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE PERIOD ENDED 30 JUNE 2018**

	RUPEES IN THOUSANDS			RUPEES IN THOUSANDS		
	FOR THE SIX MONTHS ENDED 30 JUNE		Change %	FOR THE QUARTER ENDED 30 JUNE		Change %
	2018	2017		2018	2017	
Financing Income	3,208,518	2,523,927	27.1	1,639,493	1,306,036	25.5
Financing Expenses	(1,623,681)	(1,327,238)	22.3	(845,965)	(671,804)	25.9
<b>Net Financing Income</b>	<b>1,584,837</b>	<b>1,196,689</b>	<b>32.4</b>	<b>793,528</b>	<b>634,232</b>	<b>25.1</b>
Net Fee and Commission Income	147,767	112,136	31.8	76,005	54,208	40.2
Net Gain/(Loss) from Trading	161,238	183,847	(12.3)	63,506	108,907	(41.7)
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	4,853	6,242	(22.2)	3,612	5,120	(29.4)
<b>Total Operating Income</b>	<b>1,898,695</b>	<b>1,498,914</b>	<b>26.7</b>	<b>936,651</b>	<b>802,467</b>	<b>16.7</b>
<b>Impairment Revesal / (Charge) for Financing and Receivables to Other Customers and Other Losses</b>						
Individual Impairment	(30,448)	(62,145)	(51.0)	(36,079)	(55,190)	(34.6)
Collective Impairment	(152,379)	(61,304)	148.6	(42,644)	(51,309)	(16.9)
Others	-	-	0.0	-	-	0.0
<b>Net Operating Income</b>	<b>1,715,868</b>	<b>1,375,465</b>	<b>24.7</b>	<b>857,928</b>	<b>695,968</b>	<b>23.3</b>
Personnel Expenses	602,101	550,006	9.5	302,979	273,891	10.6
Depreciation of Property, Plant and Equipment	59,167	74,665	(20.8)	28,272	37,385	(24.4)
Amortisation of Intangible Assets	29,709	25,928	14.6	14,855	12,751	16.5
Other Operating Expenses	404,085	361,368	11.8	214,046	183,005	17.0
<b>Total Operating Expenses</b>	<b>1,095,062</b>	<b>1,011,967</b>	<b>8.2</b>	<b>560,152</b>	<b>507,032</b>	<b>10.5</b>
<b>Operating Profit Before VAT on Financial Services &amp; Nation Building Tax</b>	<b>620,806</b>	<b>363,498</b>	<b>70.8</b>	<b>297,776</b>	<b>188,936</b>	<b>57.6</b>
Value Added Tax on Financial Services & Nation Building Tax	(220,406)	(152,669)	44.4	(123,497)	(70,628)	74.9
<b>Profit Before Tax</b>	<b>400,400</b>	<b>210,829</b>	<b>89.9</b>	<b>174,279</b>	<b>118,308</b>	<b>47.3</b>
Tax (Expenses)/Reversal	(112,112)	(59,032)	89.9	(48,798)	(33,126)	47.3
<b>Profit for the Period</b>	<b>288,288</b>	<b>151,797</b>	<b>89.9</b>	<b>125,481</b>	<b>85,182</b>	<b>47.3</b>
<b>Earnings Per Share - Basic / Diluted</b>	<b>0.12</b>	<b>0.12</b>	<b>0.0</b>	<b>0.05</b>	<b>0.07</b>	<b>(28.6)</b>

**AMANA BANK PLC (PB 3618 PQ)**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 30 JUNE 2018**

	RUPEES IN THOUSANDS			RUPEES IN THOUSANDS		
	FOR THE SIX MONTHS ENDED 30 JUNE		Change %	FOR THE QUARTER ENDED 30 JUNE		Change %
	2018	2017		2018	2017	
<b>Profit/(Loss) for the Period</b>	<b>288,288</b>	<b>151,797</b>	<b>89.9</b>	<b>125,481</b>	<b>85,182</b>	<b>47.3</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	-	3,920	(100.0)	27,009	33,966	(20.5)
Reclassification to Profit or Loss as Impairment	-	-	0.0	-	-	0.0
<b>Net Other Comprehensive Income to be reclassified to Profit or Loss</b>	<b>-</b>	<b>3,920</b>	<b>(100.0)</b>	<b>27,009</b>	<b>33,966</b>	<b>(20.5)</b>
<b>Other Comprehensive Income/(Loss) for the Period Net of Tax</b>	<b>-</b>	<b>3,920</b>	<b>(100.0)</b>	<b>27,009</b>	<b>33,966</b>	<b>(20.5)</b>
<b>Total Comprehensive Income/(Loss) for the Period Net of Tax</b>	<b>288,288</b>	<b>155,717</b>	<b>85.1</b>	<b>152,490</b>	<b>119,148</b>	<b>28.0</b>

STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2018

	RUPEES IN THOUSANDS		Change %
	AS AT 30.06.2018	AS AT 31.12.2017 (AUDITED)	
<b>Assets</b>			
Cash and Cash Equivalents	6,163,627	5,859,767	5.2
Balances with Central Bank of Sri Lanka	2,925,454	4,127,812	(29.1)
Derivative Financial Assets	64,897	127,616	(49.1)
Placements with Banks	5,416,277	5,285,796	2.5
Placements with Licensed Finance Companies	4,549,613	2,112,166	115
Financial Investments - Held for Trading	29,449	41,646	(29.3)
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	46,852,102	42,914,144	9.2
Financial Investments - Available for Sale	306,446	323,265	(5.2)
Financial Investments - Held to Maturity	-	-	0.0
Other Financial Assets	487,919	388,889	25.5
Other Non Financial Assets	491,733	333,169	47.6
Property, Plant and Equipment	1,767,066	1,795,137	(1.6)
Intangible Assets	201,074	230,676	(12.8)
Deferred Tax Assets	-	-	0.0
<b>Total Assets</b>	<b>69,255,657</b>	<b>63,540,083</b>	<b>9.0</b>
<b>Liabilities</b>			
Due to Banks	911,530	-	0.0
Derivative Financial Liabilities	64,568	29,924	115.8
Other Financial Liabilities - Held for Trading	-	-	0.0
Financial Liabilities Designated at Fair Value through Profit or Loss	-	-	0.0
Due to Other Customers	55,439,672	50,922,561	8.9
Other Financing	-	-	0.0
Securities Issued	-	-	0.0
Other Financial Liabilities	514,972	680,471	(24.3)
Current Tax Liabilities	299,187	187,075	59.9
Other Non Financial Liabilities	81,274	70,766	14.8
Deferred Tax Liabilities	216,242	216,242	0.0
Subordinated Term Financing	-	-	0.0
Retirement Benefit Liability	126,121	119,241	5.8
<b>Total Liabilities</b>	<b>57,653,566</b>	<b>52,226,280</b>	<b>10.4</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	(28,032)	(28,032)	0.0
Retained Earnings	147,550	(140,738)	204.8
<b>Total Equity</b>	<b>11,602,091</b>	<b>11,313,803</b>	<b>2.5</b>
<b>Total Liabilities and Shareholders' Funds</b>	<b>69,255,657</b>	<b>63,540,083</b>	<b>9.0</b>
<b>Net Asset Value per Ordinary Share</b>	4.64	4.52	
<b>Commitments and Contingencies</b>	<b>31,734,549</b>	<b>27,813,191</b>	
<b>Memorandum Information</b>			
Number of Employees	801	742	
Number of Branches	29	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  
6 August 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  
6 August 2018

Sgd.

**Osman Kassim**  
Chairman  
6 August 2018

Sgd.

**Jazri Magdon Ismail**  
Director  
6 August 2018

STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 JUNE 2018

	RUPEES IN THOUSANDS						
	Stated Capital	Statutory Reserve Fund	Revaluation Reserve	Other Reserves		Retained Earnings	Total
				Revenue Reserve	Available for Sale Reserve		
Rs.	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 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
<b>As at 30 June 2017</b>	<b>5,866,808</b>	<b>17,263</b>	<b>526,909</b>	<b>(216,926)</b>	<b>(22,948)</b>	<b>(227,342)</b>	<b>5,943,762</b>
Rights Issue	4,752,642	-	-	-	-	-	4,752,642
Share Issue Expenses	-	-	-	(9,537)	-	-	(9,537)
Profit for the six months ended 31.12.2017	-	-	-	-	-	351,030	351,030
Total Comprehensive Income for the six months ended 31.12.2017	-	-	294,352	-	(30,929)	(13,364)	250,058
Transfers to Statutory Reserve Fund	-	25,141	-	-	-	(25,141)	-
Reclassified 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 six months ended 30.06.2018	-	-	-	-	-	288,288	288,288
Total Comprehensive Income for the six months ended 30.06.2018	-	-	-	-	-	-	-
<b>As at 30 June 2018</b>	<b>10,619,450</b>	<b>42,405</b>	<b>820,718</b>	<b>-</b>	<b>(28,032)</b>	<b>147,550</b>	<b>11,602,091</b>

**STATEMENT OF CASHFLOW  
FOR THE PERIOD ENDED 30 JUNE 2018**

	RUPEES IN THOUSANDS	
	FOR THE PERIOD ENDED 30.06.2018	FOR THE PERIOD ENDED 30.06.2017
<b>Cash Flow from Operating Activities</b>		
Financing Income Received	2,897,674	2,453,299
Fees and Commission Received	147,592	115,953
Financing Expenses Paid	(1,712,119)	(1,302,377)
Foreign Exchange Income Received	177,712	184,258
Gratuity Payments Made	(8,268)	(3,530)
Payments on Other Operating Activities	(1,188,514)	(1,033,173)
<b>Operating Profit/(Loss) before Changes in Operating Assets and Liabilities</b>	<b>314,077</b>	<b>414,430</b>
<b>(Increase) / Decrease in Operating Assets</b>		
Financing and Receivable to Other Customers	(3,882,484)	(1,646,211)
Other Financial Assets	(36,309)	(1,625)
Other Non Financial Assets	(158,564)	(158,690)
Statutory Deposit	1,202,357	1,050,854
<b>Increase / (Decrease) in Operating Liabilities</b>		
Due to Other Customers	4,606,855	2,219,066
Due to Banks	910,225	97,250
Other Liabilities	(120,346)	(239,541)
<b>Net Cash Flow from Operating Activities before Income Tax</b>	<b>2,835,812</b>	<b>1,735,533</b>
Income Tax Paid	-	-
<b>Net Cash Flows From / (Used In) Operating Activities</b>	<b>2,835,812</b>	<b>1,735,533</b>
<b>Cash Flows From/(Used In) Investing Activities</b>		
Acquisition of Property, Plant & Equipment	(31,098)	(36,713)
Proceeds from Sale of Property, Plant and Equipment	-	135
Acquisition of Intangible Assets	(108)	(1,574)
Investments in Placements with Licensed Finance Companies	(2,414,351)	(2,099,990)
Investments in Placements with Banks	(103,966)	1,414,347
Sale / (Acquisition) of Financial Investments - Available for Sale	-	27,600
Sale / (Acquisition) of Financial Investments - Held for Trading	12,717	5,261
Dividend Received from Financial Investments	4,854	5,397
<b>Net Cash Flows From / (Used In) Investing Activities</b>	<b>(2,531,952)</b>	<b>(685,537)</b>
<b>Cash Flows From / (Used In) Financing Activities</b>		
Share Issue Expenses	-	(985)
<b>Net Cash Flows From / (Used In) Financing Activities</b>	<b>-</b>	<b>(985)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>303,860</b>	<b>1,049,011</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>6,163,627</b>	<b>6,735,935</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 30.06.2018
Cash and Cash Equivalents	-	6,163,627	-	-	6,163,627
Balance with Central Bank of Sri Lanka	-	2,925,454	-	-	2,925,454
Derivative Financial Assets	64,897	-	-	-	64,897
Placements with Banks	-	5,416,277	-	-	5,416,277
Placements with Licensed Finance Companies	-	4,549,613	-	-	4,549,613
Financial Investments - Held for Trading	29,449	-	-	-	29,449
Financing and Receivables to Customers	-	46,852,102	-	-	46,852,102
Financial Investments - Available for Sale	-	-	-	306,446	306,446
Other Financial Assets	-	487,919	-	-	487,919
<b>Total Financial Assets</b>	<b>94,346</b>	<b>66,394,992</b>	<b>-</b>	<b>306,446</b>	<b>66,795,784</b>
<b>Financial Liabilities</b>					
Due to Banks	-	911,530	-	-	911,530
Derivative Financial Liabilities	64,568	-	-	-	64,568
Due to Other Customers	-	55,439,672	-	-	55,439,672
Other Financial Liabilities	-	514,972	-	-	514,972
<b>Total Financial Liabilities</b>	<b>64,568</b>	<b>56,866,174</b>	<b>-</b>	<b>-</b>	<b>56,930,742</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	127,616	-	-	-	127,616
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	-	388,889	-	-	388,889
<b>Total Financial Assets</b>	<b>169,262</b>	<b>60,688,574</b>	<b>-</b>	<b>323,265</b>	<b>61,181,100</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	
	30.06.2018	31.12.2017 (AUDITED)
Gross Financing and Receivables to Other Customers	47,561,226	43,440,441
Less: Individual Impairment	(206,694)	(176,246)
Less: Collective Impairment	(502,430)	(350,051)
<b>Net Financing and Receivables</b>	<b>46,852,102</b>	<b>42,914,144</b>

03. FINANCING AND RECEIVABLES TO OTHER CUSTOMERS - BY PRODUCT

	RUPEES IN THOUSANDS	
	30.06.2018	31.12.2017 (AUDITED)
<b>By Product - Domestic Currency</b>		
Overdraft	4,230,213	3,232,301
Trade Finance	2,407,862	2,703,582
Lease Receivables	5,664,232	5,685,036
Staff Facilities	515,025	502,563
Term Financing	28,170,024	26,081,066
Gold Facilities	1,848,985	1,581,421
Others	907,673	627,995
<b>Sub Total</b>	<b>43,744,014</b>	<b>40,413,964</b>
<b>By Product - Foreign Currency</b>		
Overdraft	54,241	44,984
Term Financing	3,509,083	2,721,460
Trade Finance	41,683	47,927
Others	212,205	212,106
<b>Sub Total</b>	<b>3,817,212</b>	<b>3,026,477</b>
<b>Total</b>	<b>47,561,226</b>	<b>43,440,441</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	30,448	152,379	182,827
Recoveries	-	-	-
Amounts written off	-	-	-
Profit accrued on Impaired Financing and Receivables	-	-	-
<b>As at 30 June 2018</b>	<b>206,694</b>	<b>502,430</b>	<b>709,124</b>

## 05. DUE TO OTHER CUSTOMERS - BY PRODUCT

	RUPEES IN THOUSANDS	
	30.06.2018	31.12.2017 (AUDITED)
<b>By Product - Domestic Currency</b>		
Demand Deposits	3,189,913	3,187,940
Savings Deposits	20,286,620	19,138,902
Time Deposits	26,843,190	23,707,079
<b>Sub Total</b>	<b>50,319,723</b>	<b>46,033,921</b>
<b>By Product - Foreign Currency</b>		
Demand Deposits	149,661	316,179
Savings Deposits	1,528,682	1,202,552
Time Deposits	3,441,606	3,369,909
<b>Sub Total</b>	<b>5,119,949</b>	<b>4,888,640</b>
<b>Total</b>	<b>55,439,672</b>	<b>50,922,561</b>

## SELECTED PERFORMANCE INDICATORS

	AS AT 30.06.2018 Basel III	AS AT 31.12.2017 Basel III (AUDITED)
<b>Regulatory Capital (LKR '000)</b>		
Common Equity Tier 1	10,493,086	10,493,086
Tier 1 Capital	10,178,168	10,145,342
Total Capital	10,973,998	10,923,196
<b>Regulatory Capital Ratios (%)</b>		
Common Equity Tier 1 Capital Ratio (Minimum Requirement - 6.375%)	18.5%	20.0%
Tier 1 Capital Ratio (Minimum Requirement - 7.875%)	18.5%	20.0%
Total Capital Ratio (Minimum Requirement - 11.875%)	19.9%	21.5%

	AS AT 30.06.2018	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)	2.49%	1.89%
Net Non-Performing Financing and Advances Ratio, % (Net of Profit in Suspense and Provisions)	1.00%	0.68%
<b>Profitability</b>		
Financing Margin (%)	4.4%	4.2%
Return on Assets (After Tax)	0.8%	0.8%
Return on Equity	4.9%	5.8%
<b>Regulatory Liquidity</b>		
Statutory Liquid Assets		
- Domestic Banking Unit, Rs. '000	12,708,687	11,519,443
- Foreign Currency Banking Unit, USD '000	2,317	1,971
Statutory Liquid Assets Ratio % (Minimum Requirement - 20%)		
- Domestic Banking Unit	23.0%	22.2%
- Off-Shore Banking Unit	25.5%	41.5%
Liquidity Coverage Ratio (%) (Minimum Requirement - 90%)		
- Rupee (%)	110.9%	200.7%
- All Currency (%)	102.6%	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 30 JUNE 2018	CONSUMER BANKING	BUSINESS BANKING	TOTAL BANKING	TREASURY	RUPEES IN THOUSANDS	
					UNALLOCATED / ELIMINATION	TOTAL
<b>Income</b>						
Financing Income	801,773	2,019,900	2,821,673	365,671	21,174	3,208,518
Net Fee and Commission Income	63,430	63,804	127,234	-	20,533	147,767
Net Trading Gain	-	-	-	161,238	-	161,238
Other Operating Income	-	-	-	4,853	-	4,853
<b>Total Income</b>	<b>865,203</b>	<b>2,083,704</b>	<b>2,948,907</b>	<b>531,762</b>	<b>41,707</b>	<b>3,522,376</b>
<b>Less</b>						
Financing Expenses			(1,620,244)	(3,437)	-	(1,623,681)
Impairment On Financial Assets			(182,827)	-	-	(182,827)
Operating Expenses			(828,704)	(257,812)	(8,546)	(1,095,062)
<b>Operating Profit Before VAT on Financial Services &amp; Nation Building Tax</b>			<b>317,132</b>	<b>270,513</b>	<b>33,161</b>	<b>620,806</b>
Value Added Tax on Financial Services & Nation Building Tax						(220,406)
<b>Profit Before Tax</b>						<b>400,400</b>
Tax Expenses						(112,112)
<b>Profit After Tax</b>						<b>288,288</b>
<b>Total Assets</b>	<b>12,696,371</b>	<b>34,155,731</b>	<b>46,852,102</b>	<b>17,138,973</b>	<b>5,264,582</b>	<b>69,255,657</b>
<b>Total Liabilities</b>	<b>52,562,033</b>	<b>2,877,639</b>	<b>55,439,672</b>	<b>915,522</b>	<b>1,298,372</b>	<b>57,653,566</b>
FOR THE PERIOD ENDED 30 JUNE 2017	CONSUMER BANKING	BUSINESS BANKING	TOTAL BANKING	TREASURY	RUPEES IN THOUSANDS	
					UNALLOCATED / ELIMINATION	TOTAL
<b>Income</b>						
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
Other Operating Income	-	-	-	6,231	10	6,242
<b>Total Income</b>	<b>751,550</b>	<b>1,810,628</b>	<b>2,562,178</b>	<b>247,799</b>	<b>16,175</b>	<b>2,826,152</b>
<b>Less</b>						
Financing Expenses			(1,319,334)	(7,904)	-	(1,327,238)
Impairment On Financial Assets			(123,449)	-	-	(123,449)
Operating Expenses			(852,108)	(133,009)	(26,850)	(1,011,967)
<b>Operating Profit Before VAT on Financial Services &amp; Nation Building Tax</b>			<b>267,287</b>	<b>106,886</b>	<b>(10,675)</b>	<b>363,498</b>
Value Added Tax on Financial Services & Nation Building Tax						(152,669)
<b>Profit Before Tax</b>						<b>210,829</b>
Tax Expenses						(59,032)
<b>Profit After Tax</b>						<b>151,797</b>
<b>Total Assets</b>	<b>11,621,134</b>	<b>28,403,092</b>	<b>40,024,226</b>	<b>12,164,417</b>	<b>4,452,394</b>	<b>56,641,037</b>
<b>Total Liabilities</b>	<b>46,360,971</b>	<b>2,798,807</b>	<b>49,159,778</b>	<b>850,408</b>	<b>688,074</b>	<b>50,698,260</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.

- On 25 June 2018, the Bank declared an interim dividend of LKR 0.07 per share for the Financial Year ending 31 December 2018, with the dividend payment being 16 July 2018.

**9. 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 30 June	3.40	3.70
Highest Market Price during the quarter ended 30 June	3.60	3.80
Lowest Market Price during the quarter ended 30 June	3.20	3.50

**10. Twenty Largest Shareholders as at 30 June 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	181,706,965	7.26
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	54,410,365	2.18
11	Mr. Shafik Kassim	50,833,325	2.03
12	Mr. Sattar Kassim	48,791,110	1.95
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	29,573,250	1.18
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>2,234,842,411</b>	<b>89.34</b>
	Other Shareholders (Number of Shareholders 6,810)	266,548,123	10.66
	<b>Total</b>	<b>2,501,390,534</b>	<b>100.00</b>

**Percentage of Public Holding as at 30 June 2018**

**43.85%**

**Number of Shareholders**

**6,801**

**11. Directors' holding in shares as at 30 June 2018**

Name of Director	No. of Shares
Mr. Osman Kassim	54,410,365
Mr. Tyeab Akbarally	52
Mr. Mohamed Jazri Magdon Ismail	127,000
Mr. Haseeb Ullah Siddiqui	-
Mr. Harsha Amarasekera PC	-
Mr. Rajiv Nandlal Dvivedi	-
Mr. Pradeep Dilshan Rajeeva Hettiaratchi	-
Mr. Aaron Russell Davison	-
Mr. Adeeb Ahmad	-
Mr. Mohammed Ataur Rahman Chowdhury	-
Mr. Huzefa Inayetally Akbarally (Alternate Director to Mr. Tyeab Akbarally)	1
Mr. Mohamed Faizel Mohamed Haddad (Alternate Director to Mr. Osman Kassim)	40,000
Mr. Mohamed Azmeer (Chief Executive Officer)	500,000