



AMÃNA BANK PLC (PB 3618 PQ)

FINANCIAL STATEMENTS

31 DECEMBER 2018

	RUPEES IN THOUSANDS			RUPEES IN THOUSANDS		
	FOR THE YEAR ENDED 31 DECEMBER		Change %	FOR THE QUARTER ENDED 31 DECEMBER		Change %
	2018	2017		2018	2017	
Financing Income	6,883,222	5,544,237	24	1,936,672	1,541,510	26
Financing Expenses	(3,522,889)	(2,790,618)	26	(979,369)	(746,803)	31
Net Financing Income	3,360,333	2,753,619	22	957,303	794,707	20
Net Fee and Commission Income	297,049	236,134	26	78,002	65,330	19
Net Trading Income	461,156	388,699	19	190,004	81,735	132
Net Gains / (Losses) from Financial Investments at Fair Value Through Profit or Loss	(22,436)	-	0	(22,436)	-	0
Net Gains / (Losses) from Derecognition of Financial Assets	1,892	-	0	1,892	-	0
Net Other Operating Income	6,662	9,468	(30)	506	1,110	(54)
Total Operating Income	4,104,656	3,387,920	21	1,205,271	942,882	28
Impairment Reversal / (Charge) for Financing and Receivables to Other Customers and Other Losses						
Impairment Charges	(476,766)	-	0	(193,662)	-	0
Individual Impairment	-	(90,576)	(100)	-	(22,002)	(100)
Collective Impairment	-	(155,435)	(100)	-	11,007	(100)
Others	-	(43,772)	(100)	-	(43,772)	(100)
Net Operating Income	3,627,890	3,098,137	17	1,011,609	888,115	14
Personnel Expenses	1,246,223	1,095,792	14	334,126	268,586	24
Depreciation of Property, Plant and Equipment	126,686	148,879	(15)	32,637	36,864	(11)
Amortisation of Intangible Assets	47,939	48,968	(2)	7,207	9,807	(27)
Other Operating Expenses	884,804	745,934	19	252,688	192,783	31
Total Operating Expenses	2,305,652	2,039,573	13	626,658	508,040	23
Operating Profit Before Value Added Tax & Nation Building Tax Debt Repayment Levy	1,322,238	1,058,564	25	384,951	380,075	1
Value Added Tax on Financial Services, Nation Building Tax & Debt Repayment Levy	(420,038)	(319,246)	32	(79,913)	(37,775)	112
Profit Before Tax	902,200	739,318	22	305,038	342,300	(11)
Tax (Expenses)/Reversal	(345,753)	(236,491)	46	(178,548)	(106,326)	68
Profit for the Period	556,447	502,827	11	126,490	235,974	(46)
Earnings Per Share - Basic / Diluted	0.22	0.29	(23)	0.07	0.13	(46)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	RUPEES IN THOUSANDS			RUPEES IN THOUSANDS		
	FOR THE YEAR ENDED 31 DECEMBER		Change %	FOR THE QUARTER ENDED 31 DECEMBER		Change %
	2018	2017		2018	2017	
Profit/(Loss) for the Period	556,447	502,827	11	126,490	235,974	(46)
Other Comprehensive Income/(Loss)						
Other Comprehensive Income to be Reclassified to Profit or Loss in Subsequent Periods:						
Financial Investments - Available for Sale:						
Net Gain/(Loss) on Financial Investments - Available for Sale	-	(47,349)	100	-	(39,207)	100
Reclassification to Profit or Loss as Impairment	-	20,340	100	-	20,340	100
Net Other Comprehensive Income to be Reclassified to Profit or Loss in Subsequent Periods:	-	(27,009)	100	-	(18,867)	100
Other Comprehensive Income not to be Reclassified to Profit or Loss in Subsequent Periods:						
Financial Investments - Fair Value through Other Comprehensive Income:						
Net Gain / (Loss) on Financial Investments - Fair Value through Other Comprehensive Income	(32,411)	-	0	-	-	0
	(32,411)	-	0	-	-	0
Revaluation Surplus on Property, Plant and Equipment	-	608,536	0	-	-	0
Deferred Tax Effect on Revaluation Surplus	-	(314,184)	0	-	(312,396)	0
	-	294,352	0	-	(312,396)	0
Re-measurement Gain / (Loss) on Defined Benefit Plans	15,317	(18,562)	2	15,317	(18,562)	2
Deferred Tax Effect on Defined Benefit Plans	(4,289)	5,197	(2)	(4,289)	5,197	(2)
	11,028	(13,365)	(2)	11,028	(13,365)	(2)
Net Comprehensive Income not to be Reclassified to Profit or Loss in Subsequent Periods:	(21,383)	280,987	(108)	11,028	(325,761)	(103)
Other Comprehensive Income / (Loss) for the Year Net of Tax	(21,383)	253,978	(108)	11,028	(344,628)	(103)
Total Comprehensive Income for the Year	535,063	756,805	(29)	137,518	(108,654)	227

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	RUPEES IN THOUSANDS		Change %
	AS AT 31.12.2018	AS AT 31.12.2017	
Assets			
Cash and Cash Equivalents	5,338,091	5,859,767	(9)
Balances with Central Bank of Sri Lanka	3,543,445	4,127,812	(14)
Placements with Banks	9,264,699	5,285,796	75
Placements with Licensed Finance Companies	2,427,970	2,112,166	15
Derivative Financial Assets	445,733	127,617	249
Financial Assets Designated at Fair Value through Profit or Loss	113,249	-	
Financial Investments - Held for Trading	-	41,646	(100)
Financial Assets at Amortised Cost - Financing and Receivables to Other Customers	52,853,663	42,914,144	23
Financial Assets Measured at Fair Value through Other Comprehensive Income	186,655	-	0
Financial Investments - Available for Sale	-	323,265	(100)
Other Financial Assets	585,705	388,890	51
Property, Plant and Equipment	1,890,194	1,795,136	5
Intangible Assets	238,311	230,676	3
Other Non Financial Assets	382,052	333,169	15
Total Assets	77,269,767	63,540,084	22
Liabilities			
Due to Banks	1,210,205	-	0
Derivative Financial Liabilities	1,441,006	29,924	4,716
Financial Liabilities at Amortised Cost - Due to Depositors	61,722,683	50,922,561	21
Other Financial Liabilities	480,627	680,472	(29)
Current tax liabilities	330,607	187,075	77
Dividend Payable	3,562	-	0
Deferred Tax Liability	221,537	216,242	2
Retirement Benefit Liability	127,517	119,241	7
Other Non Financial Liabilities	97,920	70,766	38
Total Liabilities	65,635,664	52,226,281	26
Shareholders' Funds			
Stated Capital	10,619,450	10,619,450	0
Statutory Reserve Fund	70,226	42,405	66
Revaluation Reserves	819,632	820,718	(0)
Other Reserves	(60,455)	(28,032)	(116)
Retained Earnings	185,250	(140,738)	232
Total Equity	11,634,103	11,313,803	3
Total Liabilities and Shareholders' Funds	77,269,767	63,540,084	22
Net Asset Value per Ordinary Share	4.65	4.52	
Commitments and Contingencies	46,485,431	27,813,191	
Memorandum Information			
Number of Employees	911	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

14 February 2019

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

14 February 2019

Sgd.

Osman Kassim

Chairman

14 February 2019

Sgd.

Jazri Magdon Ismail

Director

14 February 2019

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	RUPEES IN THOUSANDS						
	Stated Capital	Statutory Reserve Fund	Revaluation Reserve	Other Reserve		Retained Earnings	Total
				Revenue Reserve	Available for Sale Reserve		
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
As at 1 January 2017	5,866,808	17,263	526,909	(216,926)	(26,868)	(379,140)	5,788,046
Rights Share Issue	4,752,642	-	-	-	-	-	4,752,642
Share Issue Expenses	-	-	-	(9,537)	-	-	(9,537)
Profit for the Year	-	-	-	-	-	502,827	502,827
Other Comprehensive Income	-	-	294,352	-	(27,009)	(13,364)	253,979
Transfers to Statutory Reserve Fund	-	25,141	-	-	-	(25,141)	-
Reclassifying to Profit or Loss as Impairment	-	-	-	-	25,846	-	25,846
Transferred to Retained Earnings	-	-	(543)	226,463	-	(225,920)	-
As at 1 January 2018	10,619,450	42,404	820,718	-	(28,031)	(140,738)	11,313,803
Impact of Adopting SLFRS 9	-	-	-	-	(13)	(39,654)	(39,667)
Restated Opening Balance under SLFRS 9	10,619,450	42,404	820,718	-	(28,044)	(180,392)	11,274,136
Profit for the Year	-	-	-	-	-	556,447	556,447
Other Comprehensive Income	-	-	-	-	(32,411)	11,028	(21,383)
Interim Dividend 2018	-	-	-	-	-	(175,097)	(175,097)
Transfers to Statutory Reserve Fund	-	27,822	-	-	-	(27,822)	-
Reclassifying to Profit or Loss as Impairment	-	-	-	-	-	-	-
Transferred to Retained Earnings	-	-	(1,086)	-	-	1,086	-
As at 31 December 2018	10,619,450	70,226	819,632	-	(60,455)	185,250	11,634,103

**STATEMENT OF CASHFLOW
FOR THE YEAR ENDED 31 DECEMBER 2018**

	RUPEES IN THOUSANDS	
	2018	2017
Cash Flow from Operating Activities		
Financing Income Received	6,416,841	5,445,156
Fees and Commission Received	339,789	239,617
Financing Expenses Paid	(3,429,655)	(2,595,125)
Foreign Exchange Income Received	418,176	394,172
Gratuity Payments Made	(9,949)	(8,354)
Payments to Employees and Suppliers	(2,470,080)	(2,095,442)
Operating Profit/(Loss) before Changes in Operating Assets and Liabilities	1,265,122	1,380,024
(Increase) / Decrease in Operating Assets		
Financing and Receivable to Other Customers	(10,037,289)	(4,674,618)
Other Financial Assets	(496,774)	(153,517)
Other Non Financial Assets	(171,564)	(1,498)
Statutory Deposit	584,367	(1,311,041)
Increase / (Decrease) in Operating Liabilities		
Due to Other Customers	10,709,292	3,810,315
Due to Banks	1,207,800	(750,500)
Other Liabilities	1,236,089	(18,900)
Net Cash Flow from Operating Activities before Income Tax	4,297,043	(1,719,735)
Income Tax Paid	(63,108)	-
Net Cash Flows From / (Used In) Operating Activities	4,233,935	(1,719,735)
Cash Flows From/(Used In) Investing Activities		
Acquisition of Property, Plant & Equipment	(247,972)	(62,099)
Proceeds from Sale of Property, Plant and Equipment	9	457
Acquisition of Intangible Assets	(47,749)	(113,739)
Investments in Placements with Banks	(3,991,415)	(612,070)
Investments in Placements with Licensed Finance Companies	(314,535)	(2,097,301)
Financial Assets Recognised through Profit or Loss - Measured at Fair Value	12,290	
Sale / (Acquisition) of Financial Investments - Available for Sale	-	27,410
Sale / (Acquisition) of Financial Assets Held for Trading	-	(1,606)
Dividend Received from Financial Assets	6,655	8,421
Net Cash Flows From / (Used In) Investing Activities	(4,582,717)	(2,850,527)
Cash Flows From / (Used In) Financing Activities		
Rights Issue of Shares	-	4,752,642
Share Issue Expenses	-	(9,537)
Dividend Paid	(171,535)	-
Net Cash Flows From / (Used In) Financing Activities	(171,535)	4,743,105
Net Increase / (Decrease) in Cash and Cash Equivalents	(520,317)	172,843
Cash and Cash Equivalents at the Beginning of the Year	5,859,767	5,686,924
Cash and Cash Equivalents at the End of the Year - Gross of Allowance for Impairment Losses	5,339,450	5,859,767

CASH AND CASH EQUIVALENTS

For the year ended 31 December

Cash in Hand
Balances with Banks

Less: Allowance for Impairment Losses
Total

	2018	2017
Cash in Hand	2,008,360	1,439,275
Balances with Banks	3,331,090	4,420,492
	5,339,450	5,859,767
Less: Allowance for Impairment Losses	(1,359)	N/A
Total	5,338,091	5,859,767

01. ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

Financial instruments are measured on an ongoing basis either at fair value or at amortised cost. The summary of significant accounting policies describes how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the carrying amounts of the financial instruments by category as defined in SLFRS 9 and by headings of the Statement of Financial Position.

FINANCIAL ASSETS	FAIR VALUE THROUGH PROFIT OR LOSS	AMORTIZED COST	RUPEES IN THOUSANDS	
			FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	TOTAL AS AT 31.12.2018
Cash and Cash Equivalents	-	5,338,091	-	5,338,091
Balance with Central Bank of Sri Lanka	-	3,543,445	-	3,543,445
Placements with Banks	-	9,264,699	-	9,264,699
Placements with Licensed Finance Companies	-	2,427,970	-	2,427,970
Derivative Financial Assets	445,733	-	-	445,733
Financial Assets recognised through Profit or Loss - Measured at Fair Value	113,249	-	-	113,249
Financial Assets at Amortised Cost - Financing and Receivables to Other Customers	-	52,853,663	-	52,853,663
Financial Assets measured at Fair Value through Other Comprehensive Income	-	-	186,655	186,655
Other Assets - Financial	-	585,705	-	585,705
Total Financial Assets	558,982	74,013,573	186,655	74,759,210
Financial Liabilities				
Due to Banks	-	1,210,205	-	1,210,205
Derivative Financial Liabilities	1,441,006	-	-	1,441,006
Financial Liabilities at Amortised Cost - Due to Depositors	-	61,722,683	-	61,722,683
Other Liabilities - Financial	-	480,627	-	480,627
Total Financial Liabilities	1,441,006	63,413,515	-	64,854,521

Financial instruments are measured on an ongoing basis either at fair value or at amortised cost. The summary of significant accounting policies describes how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the carrying amounts of the financial instruments by category as defined in LKAS 39 and by headings of the Statement of Financial Position.

FINANCIAL ASSETS	HELD FOR TRADING	AMORTIZED COST	HELD TO MATURITY	RUPEES IN THOUSANDS	
				AVAILABLE FOR SALE	Total As at 31.12.2017
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	127,617	-	-	-	127,617
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	-	388,890	-	-	388,890
Total Financial Assets	169,263	60,688,575	-	323,265	61,181,103
Financial Liabilities					
Due to Banks	-	-	-	-	-
Derivative Financial Liabilities	29,924	-	-	-	29,924
Due to Other Customers	-	50,922,561	-	-	50,922,561
Other Financial Liabilities	-	680,472	-	-	680,472
Total Financial Liabilities	29,924	51,603,033	-	-	51,632,957

02. FINANCING AND RECEIVABLES TO OTHER CUSTOMERS

ANALYSIS OF FINANCING AND RECEIVABLES TO OTHER CUSTOMERS

	RUPEES IN THOUSANDS	
	31.12.2018	31.12.2017
Gross Financing and Receivables to Other Customers	53,906,267	43,440,441
Less: Accumulated Impairment		
Stage 1	(254,293)	-
Stage 2	(299,784)	-
Stage 3	(498,527)	-
Individual Impairment	-	(176,246)
Collective Impairment	-	(350,051)
Net Financing and Receivables	52,853,663	42,914,144

ANALYSIS OF FINANCING AND RECEIVABLES TO OTHER CUSTOMERS - (Contd...)

03. FINANCING AND RECEIVABLES TO OTHER CUSTOMERS - BY PRODUCT

	RUPEES IN THOUSANDS	
	31.12.2018	31.12.2017
By Product - Domestic Currency		
Overdraft	4,782,505	3,232,301
Trade Finance	2,765,920	2,703,582
Lease Receivables	6,430,002	5,685,036
Staff Facilities	571,829	502,563
Term Financing	31,394,943	26,081,066
Gold Facilities	2,402,268	1,581,421
Others	630,670	627,995
Sub Total	48,978,137	40,413,964
By Product - Foreign Currency		
Overdraft	72,129	44,984
Term Financing	4,627,052	2,721,460
Trade Finance	77,516	47,927
Others	151,433	212,106
Sub Total	4,928,130	3,026,477
Total	53,906,267	43,440,441

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

A reconciliation of the allowance for impairment losses for Financing and Receivables to Other Customers, under SLFRS 9 as at 31.12.2018 is as follows:

	RUPEES IN THOUSANDS			
	STAGE 1	STAGE 2	STAGE 3	TOTAL IMPAIRMENT
ECL allowance as at 1 January 2018 under SLFRS9	187,558	109,088	282,906	579,552
Charge/(Write Back) for the year	66,735	190,696	215,621	473,052
Amounts written off	-	-	-	-
As at 31 December 2018	254,293	299,784	498,527	1,052,604

A reconciliation of the allowance for impairment losses for Financing and Receivables to Other Customers, under LKAS 39 as at 31.12.2017 is as follows:

	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	-	-	-
As at 31 December 2017	176,247	350,051	526,297

05. DUE TO OTHER CUSTOMERS - BY PRODUCT

ANALYSIS OF DEPOSITS

	RUPEES IN THOUSANDS	
	31.12.2018	31.12.2017
By Product - Domestic Currency		
Demand Deposits	3,072,131	3,187,940
Savings Deposits	19,936,735	19,138,902
Time Deposits	30,473,616	23,707,079
Other Deposits	180,471	-
Sub Total	53,662,953	46,033,921
By Product - Foreign Currency		
Demand Deposits	213,574	316,179
Savings Deposits	1,820,921	1,202,552
Time Deposits	6,012,863	3,369,909
	12,372	-
Sub Total	8,059,730	4,888,640
Total	61,722,683	50,922,561

SELECTED PERFORMANCE INDICATORS

	AS AT 31.12.2017 Basel III	AS AT 31.12.2017 Basel III
Regulatory Capital (LKR '000)		
Common Equity Tier 1	10,844,221	10,145,342
Tier 1 Capital	10,527,283	10,145,342
Total Capital	11,347,154	10,923,196
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (Minimum Requirement - 6.375%)	17.6%	20.0%
Tier 1 Capital Ratio (Minimum Requirement - 7.875%)	17.6%	20.0%
Total Capital Ratio (Minimum Requirement - 11.875%)	19.0%	21.5%

	AS AT 31.12.2018	AS AT 31.12.2017
Assets Quality (Quality of Financing and Advance Portfolio)		
Gross Non-Performing Financing and Advances Ratio, % (Net of Profit in Suspense)	2.82%	1.89%
Net Non-Performing Financing and Advances Ratio, % (Net of Profit in Suspense and Provisions)	0.87%	0.68%
Profitability		
Financing Margin (%)	4.4%	4.2%
Return on Assets (After Tax)	0.7%	0.8%
Return on Equity	4.6%	5.8%
Regulatory Liquidity		
Statutory Liquid Assets		
- Domestic Banking Unit, Rs. (LKR in Millions)	14,348	11,519
- Foreign Currency Banking Unit, USD '000	2,885	1,971
Statutory Liquid Assets Ratio % (Minimum Requirement - 20%)		
- Domestic Banking Unit	23.0%	22.2%
- Off-Shore Banking Unit	35.1%	41.5%
Total Stock of High Quality Liquid Assets (LKR in Millions)	2,690	2,739
Liquidity Coverage Ratio (%) (Minimum Requirement - 90%)		
- Rupee (%)	141.8%	200.7%
- All Currency (%)	117.5%	174.7%
Net Stable Funding Ration (%) (Minimum Requirement - N/A)	N/A	N/A

7 SEGMENT INFORMATION

The following table presents information on total income, profit, total assets and liabilities regarding the Bank's operating segments.

FOR THE YEAR ENDED 31 DECEMBER 2018	CONSUMER BANKING	BUSINESS BANKING	TOTAL BANKING	TREASURY	RUPEES IN THOUSANDS	
					UNALLOCATED / ELIMINATION	TOTAL
Income						
Financing Income	1,804,401	4,329,233	6,133,633	706,624	42,965	6,883,222
Net Fee and Commission Income	136,774	131,216	267,990	27,600	1,459	297,049
Net Trading Gain	-	-	-	461,156	-	461,156
Net Gains / (Losses) from Financial Investments at Fair Value Through Profit or Loss	-	-	-	(22,436)	-	(22,436)
Net Gains / (Losses) from Derecognition of Financial Assets	-	-	-	1,892	-	1,892
Other Operating Income	-	-	-	6,655	7	6,662
Total Income	1,941,175	4,460,449	6,401,624	1,181,491	44,431	7,627,546
Less						
Financing Expenses			(3,501,947)	(20,942)	-	(3,522,889)
Impairment On Financial Assets			(476,766)	-	-	(476,766)
Operating Expenses			(1,511,903)	(787,912)	(5,837)	(2,305,652)
Operating Profit Before VAT on Financial Services & Nation Building Tax			911,008	372,637	38,594	1,322,238
Value Added Tax on Financial Services & Nation Building Tax						(420,038)
Profit Before Tax						902,200
Tax Expenses						(345,753)
Profit After Tax						556,447
Total Assets	14,594,254	38,259,409	52,853,663	16,946,546	7,469,558	77,269,767
Total Liabilities	58,002,975	3,719,708	61,722,683	1,212,750	2,700,231	65,635,664
FOR THE YEAR ENDED 31 DECEMBER 2017	CONSUMER BANKING	BUSINESS BANKING	TOTAL BANKING	TREASURY	RUPEES IN THOUSANDS	
					UNALLOCATED / ELIMINATION	TOTAL
Income						
Financing Income	1,497,872	3,669,699	5,167,571	355,727	20,939	5,544,237
Net Fee and Commission Income	101,367	124,098	225,465	9,265	1,404	236,134
Net Trading Gain	-	-	-	388,699	-	388,699
Other Operating Income	-	-	-	9,255	212	9,468
Total Income	1,599,239	3,793,797	5,393,036	762,946	22,556	6,178,537
Less						
Financing Expenses			(2,774,139)	(16,479)	-	(2,790,618)
Impairment On Financial Assets			(246,011)	(43,772)	-	(289,783)
Operating Expenses			(1,476,287)	(552,811)	(10,475)	(2,039,573)
Operating Profit Before VAT on Financial Services & Nation Building Tax			896,599	149,884	12,081	1,058,564
Value Added Tax on Financial Services & Nation Building Tax						(319,246)
Profit Before Tax						739,318
Tax Expenses						(236,491)
Profit After Tax						502,827
Total Assets	12,164,491	30,749,653	42,914,144	15,841,113	4,784,827	63,540,084
Total Liabilities	48,522,719	2,399,842	50,922,561	1,514	1,302,206	52,226,281

8. TRANSITION DISCLOSURES

The following notes set out the impact of adopting SLFRS 9 on the Statement of Financial Position, and retained earnings including the effect of replacing incurred credit loss calculations under LKAS 39 with expected credit loss (ECL) calculations under SLFRS 9.

Bank reconciliation of equity as at 31 December 2017

LKAS 39	Note	LKAS 39 Measurement		Reclassification	Measurement		SLFRS 9		SLFRS 9
		Category	Rs.		Rs.	ECL	Other	Amount	
Financial Assets									Financial Assets
Cash and Cash Equivalents		A&R	5,859,767	-	(426)	-	5,859,341	AC	Cash and Cash Equivalents
Balance with Central Bank of Sri Lanka		A&R	4,127,812	-	-	-	4,127,812	AC	Balance with Central Bank of Sri Lanka
Derivative Financial Assets		HFT	127,617	-	-	-	127,617	FVPL	Derivative Financial Assets
Placements with Banks		A&R	5,285,796	-	(691)	-	5,285,105	AC	Placements with Banks
Placements with Licensed Finance Companies		A&R	2,112,166	-	(70)	-	2,112,097	AC	Placements with Licensed Finance Companies
Financial Investments - Held for Trading	A	HFT	41,646	(41,646)	-	-	-		
				145,844	-	-	145,844	FVPL	Financial Assets recognised through Profit or Loss - Measured at Fair Value
Financing and Receivables to Other Customers		A&R	42,914,144	-	(53,254)	-	42,860,889	AC	Financial Assets at Amortised Cost - Financing and Receivables to Other Customers
				219,066	-	-	219,066	FVOCI	Financial Assets measured at Fair Value through Other Comprehensive Income
Financial Assets - Available for Sale		AFS	323,265	(323,265)	-	-	-		
Other Financial Assets		A&R	388,890	-	-	-	388,890	AC	Other Financial Assets
			61,181,102	-	(54,442)	-	61,126,661		
Non Financial Assets									Non Financial Assets
Property, Plant and Equipment		N/A	1,795,136	-	-	-	1,795,136		Property, Plant and Equipment
Intangible Assets		N/A	230,676	-	-	-	230,676		Intangible Assets
Other Non Financial Assets		N/A	333,170	-	-	-	333,170		Other Non Financial Assets
			2,358,982	-	-	-	2,358,982		
Total Assets			63,540,084	-	(54,442)	-	63,485,643		Total Assets
Financial Liabilities									Financial Liabilities
Derivative Financial Liabilities		HFT	29,924	-	-	-	29,924	FVPL	Derivative Financial Liabilities
Due to Other Customers		A&R	50,922,561	-	-	-	50,922,561	AC	Due to Other Customers
Other Financial Liabilities	B	A&R	680,471	-	653	-	681,123	AC	Other Financial Liabilities
			51,632,957	-	653	-	51,633,609		
Non Financial Liabilities									Non Financial Liabilities
Current tax liabilities		N/A	187,075	-	-	-	187,075		Current tax liabilities
Other Non Financial Liabilities		N/A	70,765	-	-	-	70,765		Other Non Financial Liabilities
Deferred Tax Liability	C	N/A	216,242	-	(15,426)	-	200,816		Deferred Tax Liability
Retirement Benefit Liability		N/A	119,241	-	-	-	119,241		Retirement Benefit Liability
			593,324	-	(15,426)	-	577,898		
Total Liabilities			52,226,281	-	(14,774)	-	52,211,507		Total Liabilities
Equity									Equity
Stated Capital			10,619,450	-	-	-	10,619,450		Stated Capital
Statutory Reserve Fund			42,405	-	-	-	42,405		Statutory Reserve Fund
Other Reserves			(28,032)	(13)	-	-	(28,045)		Other Reserves
Revaluation Reserve			820,717	-	-	-	820,717		Revaluation Reserve
Retained Earnings	D		(140,737)	13	(39,668)	-	(180,392)		Retained Earnings
Total Equity			11,313,803	-	(39,668)	-	11,274,136		Total Equity
Total Liabilities and Shareholders' Funds			63,540,084	-	(54,442)	-	63,485,643		Total Liabilities and Shareholders' Funds

NOTES TO THE FINANCIAL STATEMENTS

8. TRANSITION DISCLOSURES (Contd...)

A&R - Advances & Receivables, HFT - Held for Trading, AFS - Available for Sale, FVPL - Fair value through P&L, FVOCI - Fair Value through Other Comprehensive Income, N/A - Not Applicable.

- A** Majority of the equity securities previously held under Available for Sale category have been reclassified as Financial Assets Fair Value through Profit or Loss (FVPL) upon adoption of SLFRS 9. The equity securities currently remains in the Fair Value through Other Comprehensive Income (FVOCI) category is held for strategic purposes.
- B** The carrying value of Other Financial Liabilities changed under SLFRS 9 due to recognition of ECL provisions for Financial Guarantees, Letter of Credits, Acceptances and Commitments for unutilised facilities.
- C** The impact of SLFRS 9 remeasurements on Deferred Tax is set out below under Note D.
- D** The impact on Retained Earnings by transition to SLFRS 9 is as follows,

	Rs.
Closing balance under LKAS 39 as at 31st December 2017	(140,737)
Reclassification adjustments in relation to adopting SLFRS 9	13
Recognition of SLFRS 9 ECLs for Financing and Receivables to Other Customers and Financial Investments	(55,094)
Deferred tax in relation to the above	15,426
Opening balance under SLFRS 9 as at 1st January 2018	(39,654)
Total change in equity due to adopting SLFRS 9	(180,392)

The following table reconciles the aggregate opening credit loss provision under LKAS 39 to the ECL allowances under SLFRS 9.

	Impairment provision under LKAS 39 as at 31st December 2017	Measurement	ECLs under SLFRS 9 at 1st January 2018
Cash and Cash Equivalents	5,859,767	(426)	5,859,341
Placements with Banks	5,285,796	(691)	5,285,105
Placements with Licensed Finance Companies	2,112,166	(70)	2,112,097
Financing and Receivables to Other Customers	42,914,144	(53,254)	42,860,889
Commitments and Contingencies	13,304,455	(653)	13,303,802
	69,476,328	(55,094)	69,421,234

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.
- 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 31 December	3.10	3.70
Highest Market Price during the quarter ended 31 December	3.20	4.00
Lowest Market Price during the quarter ended 31 December	3.00	3.50

10. Twenty Largest Shareholders as at 31 December 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	200,909,977	8.03
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	94,220,411	3.77
9	Millenium Capital Investment Pte. Limited	70,140,503	2.80
10	Mr. Osman Kassim jointly with Mrs K. Kassim	57,541,157	2.30
11	Mr. Shafik Kassim	52,554,117	2.10
12	Mr. Sattar Kassim	50,511,902	2.02
13	Mr. Nagi Saleh Mohammed Al Faqih	37,384,600	1.49
14	Mr. Sathiyamurthy Chandramohan	30,000,000	1.20
15	Almas Organisation (Pvt) Ltd	27,426,100	1.10
16	Mr. Abdul Majeed Mohamedu Risvi	26,270,421	1.05
17	Mr Riyaz Mohamed Sangani	24,296,832	0.97
18	Trans Asia Trading Company	19,899,727	0.80
19	Al Bogari IGL DMCC	17,678,178	0.71
20	Mr. Ahamed Mihilar Mohamed Fazal Jifiry	14,284,200	0.57
Sub total		2,241,515,813	89.61
Other Shareholders (Number of Shareholders 6,814)		259,874,721	10.39
Total		2,501,390,534	100.00

Percentage of Public Holding as at 31 December 2018

43.28%

Number of Shareholders

6,804

11. Directors' holding in shares as at 31 December 2018

Name of Director	No. of Shares
Mr. Osman Kassim	57,541,157
Mr. Tyeab Akbarally	52
Mr. Mohamed Jazri Magdon Ismail	127,000
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. Syed Muhammed Azim Raza	-
Mr. Khairul Muzamel Perera Bin Abdullah	-
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