

# SEYLAN BANK PLC

## FINANCIAL STATEMENTS

### Three months ended 31st March, 2018



#### INCOME STATEMENT

(In terms of Rule 7.4 of the Colombo Stock Exchange)

	BANK			GROUP		
	For the three months ended 31st March			For the three months ended 31st March		
	2018	2017	Growth %	2018	2017	Growth %
Interest Income	11,444,055	10,120,010	13.08	11,444,169	10,123,349	13.05
Less: Interest Expenses	7,205,873	6,504,198	10.79	7,180,127	6,498,414	10.49
<b>Net Interest Income</b>	<b>4,238,182</b>	<b>3,615,812</b>	<b>17.21</b>	<b>4,264,042</b>	<b>3,624,935</b>	<b>17.63</b>
Fee and Commission Income	1,043,918	905,095	15.34	1,043,703	905,081	15.32
Less: Fee and Commission Expenses	48,464	36,525	32.69	49,512	38,056	30.10
<b>Net Fee and Commission Income</b>	<b>995,454</b>	<b>868,570</b>	<b>14.61</b>	<b>994,191</b>	<b>867,025</b>	<b>14.67</b>
Net Trading Income	89,908	(36,755)	344.61	89,832	(38,320)	334.43
Net Gain/(Loss) from Financial Investments	33,368	(4,096)	914.65	33,368	(4,096)	914.65
Net Exchange Income	78,773	191,717	(58.91)	78,773	191,717	(58.91)
Other Operating Income (Net)	163,714	87,555	86.98	103,222	35,240	192.91
<b>Total Operating Income</b>	<b>5,599,399</b>	<b>4,722,803</b>	<b>18.56</b>	<b>5,563,428</b>	<b>4,676,501</b>	<b>18.97</b>
Less: Impairment for Loans and Other Losses - Charges/(Reversal)						
Individual Impairment	380,342	253,395	50.10	380,342	253,395	50.10
Collective Impairment	160,821	83,889	91.71	160,821	83,889	91.71
Others	1,279	8,465	(84.89)	1,279	8,465	(84.89)
<b>Net Operating Income</b>	<b>5,056,957</b>	<b>4,377,054</b>	<b>15.53</b>	<b>5,020,986</b>	<b>4,330,752</b>	<b>15.94</b>
Personnel Expenses	1,503,734	1,326,536	13.36	1,513,195	1,335,460	13.31
Depreciation and Amortisation	180,500	164,745	9.56	196,301	176,114	11.46
Other Expenses	1,304,249	1,214,240	7.41	1,274,431	1,190,855	7.02
<b>Operating Profit before Taxes</b>	<b>2,988,483</b>	<b>2,705,521</b>	<b>10.46</b>	<b>2,983,927</b>	<b>2,702,429</b>	<b>10.42</b>
Value Added Tax (VAT) and Nation Building Tax (NBT) on Financial Services	505,000	415,740	21.47	492,721	405,507	21.51
<b>Profit before Income Taxes</b>	<b>1,563,474</b>	<b>1,255,793</b>	<b>24.50</b>	<b>1,544,338</b>	<b>1,222,816</b>	<b>26.29</b>
Income Tax Expenses	510,448	389,613	31.01	528,794	399,119	32.49
<b>Profit for the Period</b>	<b>1,053,026</b>	<b>866,180</b>	<b>21.57</b>	<b>1,015,544</b>	<b>823,697</b>	<b>23.29</b>
<b>Attributable to:</b>						
Owners of the Parent	773,292	914,123	(15.41)	725,562	866,123	(16.23)
Non-Controlling Interest	-	-	-	10,248	5,099	100.98
<b>Profit for the Period</b>	<b>1,053,026</b>	<b>866,180</b>	<b>21.57</b>	<b>1,015,544</b>	<b>823,697</b>	<b>23.29</b>
Basic/Diluted Earnings per Ordinary Share (in Rupees)	2.88	2.37	21.57	2.75	2.24	22.83

#### CASH FLOW STATEMENT

(Amount in Rupees Thousands)

	BANK		GROUP	
	For the three months ended 31st March		For the three months ended 31st March	
	2018	2017	2018	2017
<b>Cash Flows from Operating Activities</b>				
Interest Receipts	11,612,729	10,314,083	11,612,843	10,321,210
Fees and Commission Receipts	1,043,918	905,095	1,043,703	905,081
Interest Payments	(7,082,202)	(6,257,872)	(7,056,456)	(6,252,088)
Trading Income	53,599	(145,346)	53,523	(146,911)
Receipts/Payments from Other Operating Activities	526,096	(229,016)	465,604	(211,115)
Cash Payments to Employees and Suppliers	(3,053,447)	(2,860,707)	(3,028,078)	(2,828,175)
Cash Payments to Other Operating Activities	(48,464)	(38,525)	(49,512)	(38,056)
<b>Operating Profit before Changes in Operating Assets and Liabilities</b>	<b>3,050,229</b>	<b>1,689,712</b>	<b>3,041,627</b>	<b>1,749,946</b>
<b>(Increase)/Decrease in Operating Assets:</b>				
Loans and Receivables to Customers	(8,710,002)	(6,027,371)	(8,710,002)	(6,027,371)
Deposits Held for Regulatory or Monetary Control Purposes	1,196,918	(459,742)	1,196,918	(459,742)
<b>(Increase)/Decrease in Operating Liabilities:</b>				
Deposits from Customers	3,794,009	845,923	3,794,009	845,923
Certificates of Deposit from Customers	(229,468)	(581,439)	(229,468)	(581,439)
<b>Cash (Used in) Operations</b>	<b>(958,314)</b>	<b>(4,532,917)</b>	<b>(958,314)</b>	<b>(4,472,683)</b>
Income Tax Paid	(377,993)	(304,606)	(378,284)	(304,606)
Contribution Paid into Employees Retirement Benefit Plan to Employees	(15,272)	(21,064)	(15,272)	(21,064)
<b>Net Cash (Used in) Operating Activities</b>	<b>(1,351,579)</b>	<b>(4,858,587)</b>	<b>(1,360,452)</b>	<b>(4,798,353)</b>
<b>Cash Flows from Investing Activities</b>				
Dividend Income Received	106,127	4,801	21,618	4,801
Net Proceeds from Sale, Maturity and Purchase of Financial Investments of Government of Sri Lanka Treasury Bills/Bonds and Development Bonds Maturing after 03 months	5,403,529	(7,746,854)	5,403,529	(7,746,854)
Reverse Repurchase Agreements Maturing after 03 Months	7,209	(1,100)	7,209	(1,100)
Net Proceeds from Sale, Maturity and Purchase of Financial Investments of Shares and Debentures	133,824	52,379	133,824	104,189
Purchase of Property, Plant & Equipment and Intangible Assets	(95,636)	(126,853)	(95,636)	(126,853)
Proceeds from Sale of Property, Plant & Equipment	4,900	505	4,900	505
Proceeds from Sale of Assets Held-for-Sale	934,000	-	-	-
Improvements to Investment Properties	-	-	(243)	(4,147)
<b>Net Cash (Used in)/Generated from Investing Activities</b>	<b>6,493,953</b>	<b>(7,817,122)</b>	<b>5,469,148</b>	<b>(7,769,459)</b>
<b>Cash Flows from Financing Activities</b>				
Debt Redemption	(2,000,000)	-	(1,950,000)	-
Debt Issued	6,234,000	-	6,134,000	-
Securities Sold under Repurchase Agreements	(3,788,486)	8,268,138	(3,788,486)	8,268,138
Increase/(Decrease) in Other Borrowings	(1,880,888)	3,708,783	(1,880,888)	3,641,411
Dividends Paid - Ordinary Shares	(110,127)	(3,355)	(110,127)	(43,950)
<b>Net Cash (Used in)/Generated from Financing Activities</b>	<b>(1,545,593)</b>	<b>11,873,506</b>	<b>(511,915)</b>	<b>11,865,599</b>
Net Increase/(Decrease) in Cash and Cash Equivalents	3,596,781	(702,203)	3,596,781	(702,213)
Cash and Cash Equivalents at beginning of the Year	16,073,851	23,277,093	16,073,891	23,277,143
<b>Cash and Cash Equivalents at end of the Period</b>	<b>19,670,632</b>	<b>22,574,890</b>	<b>19,670,672</b>	<b>22,574,930</b>
<b>Reconciliation of Cash and Cash Equivalents</b>				
Cash and Cash Equivalents	8,100,574	8,845,830	8,100,614	8,845,870
Government of Sri Lanka Treasury Bills/Bonds and Development Bonds Maturing within 03 Months	9,792,242	6,420,689	9,792,242	6,420,689
Securities Purchased under Resale Agreements Maturing within 03 Months	1,777,816	7,308,371	1,777,816	7,308,371
	19,670,632	22,574,890	19,670,672	22,574,930

#### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(In terms of Rule 7.4 of the Colombo Stock Exchange)

	Bank			Group		
	For the Three Months Ended 31st March			For the Three Months Ended 31st March		
	2018	2017	Growth%	2018	2017	Growth%
<b>Profit for the Period</b>	<b>1,053,026</b>	<b>866,180</b>	<b>21.57</b>	<b>1,015,544</b>	<b>823,697</b>	<b>23.29</b>
<b>Other Comprehensive Income/(Loss), Net of Tax</b>						
Net Gain/(Loss) on Re-measuring Available-for-Sale Financial Assets	(271,987)	47,943	(667.31)	(271,987)	47,525	(672.30)
Net Movement of Cash Flow hedge Reserve	(7,747)	-	-	(7,747)	-	-
<b>Other Comprehensive Income/(Loss) for the Period, Net of Taxes</b>	<b>(279,734)</b>	<b>47,943</b>	<b>(683.47)</b>	<b>(279,734)</b>	<b>47,525</b>	<b>(688.60)</b>
<b>Total Comprehensive Income for the Period</b>	<b>773,292</b>	<b>914,123</b>	<b>(15.41)</b>	<b>735,810</b>	<b>871,222</b>	<b>(15.54)</b>
<b>Attributable to:</b>						
Owners of the Parent	773,292	914,123	(15.41)	725,562	866,123	(16.23)
Non-Controlling Interest	-	-	-	10,248	5,099	100.98
<b>Total Comprehensive Income for the Period</b>	<b>773,292</b>	<b>914,123</b>	<b>(15.41)</b>	<b>735,810</b>	<b>871,222</b>	<b>(15.54)</b>

#### STATEMENT OF FINANCIAL POSITION

(In terms of Rule 7.4 of the Colombo Stock Exchange)

	Bank			Group		
	As at 31.03.2018	As at 31.12.2017	Growth %	As at 31.03.2018	As at 31.12.2017	Growth %
	<b>Assets</b>					
Cash and Cash Equivalents	8,100,574	8,319,384	(2.63)	8,100,614	8,319,424	(2.63)
Balances with Central Bank of Sri Lanka	17,922,925	19,119,843	(6.26)	17,922,925	19,119,843	(6.26)
Placements with Banks and Finance Companies	-	1,455,115	(100.00)	-	1,455,115	(100.00)
Derivative Financial Instruments	40,010	60,165	(33.50)	40,010	60,165	(33.50)
Other Financial Assets Held-for-Trading	8,195,591	7,939,213	3.23	8,200,940	7,944,562	3.23
Securities Purchased under Resale Agreements	1,777,816	1,750,855	1.54	1,777,816	1,750,855	1.54
Customer Loans and Receivables	289,301,809	280,861,907	3.01	289,301,809	280,861,907	3.01
Financial Investments - Available-for-Sale	52,914,937	53,507,037	(1.11)	52,914,937	53,507,037	(1.11)
Financial Investments - Held-to-Maturity	20,443,411	21,529,778	(5.05)	20,443,411	21,529,778	(5.05)
Investment in Subsidiary	1,153,602	1,153,602	-	-	-	-
Group Balances Receivable	30,000	30,000	-	-	-	-
Property, Plant & Equipment	3,430,692	3,495,140	(1.84)	5,971,743	6,001,586	(0.50)
Leasehold Rights	40,158	40,425	(0.66)	579,227	581,346	(0.36)
Investment Properties	-	-	-	849,323	851,667	(0.28)
Intangible Assets	341,072	363,451	(6.16)	341,072	363,451	(6.16)
Assets Held-for-Sale	-	900,543	(100.00)	-	-	-
Other Assets	9,054,887	7,599,381	19.15	8,962,041	7,637,019	17.35
<b>Total Assets</b>	<b>412,747,484</b>	<b>408,125,839</b>	<b>1.13</b>	<b>415,405,868</b>	<b>409,983,755</b>	<b>1.32</b>
<b>Liabilities</b>						
Due to Banks	26,312,285	27,052,972	(2.74)	26,312,285	27,052,972	(2.74)
Derivative Financial Instruments	429,995	571,557	(24.77)	429,995	571,557	(24.77)
Customer Deposits	310,904,159	307,098,902	1.24	310,904,159	307,098,902	1.24
Securities Sold under Repurchase Agreements	12,844,727	16,631,973	(22.77)	12,844,727	16,631,973	(22.77)
Other Borrowings	21,548	22,396	(3.79)	21,548	22,396	(3.79)
Group Balances Payable	269,397	1,145,110	(76.47)	-	-	-
Debentures	16,429,801	12,494,025	31.50	16,429,801	12,494,025	31.50
Current Tax Liabilities	1,094,350	1,022,378	7.04	1,122,187	1,046,249	7.26
Deferred Tax Liabilities	1,045,896	1,359,044	(23.04)	1,129,454	1,431,294	(21.09)
Other Liabilities	8,859,181	6,521,559	35.84	8,917,604	6,593,748	35.24
<b>Total Liabilities</b>	<b>378,211,339</b>	<b>373,919,916</b>	<b>1.15</b>	<b>378,111,760</b>	<b>372,943,116</b>	<b>1.39</b>
<b>Equity</b>						
Stated Capital	12,025,795	11,228,269	7.10	12,025,795	11,228,269	7.10
Statutory Reserve Fund	1,609,484	1,609,484	-	1,609,484	1,609,484	-
Retained Earnings	17,368,838	17,178,024	1.11	17,961,623	17,818,539	0.80
Other Reserves	3,532,028	4,190,146	(15.71)	4,512,563	5,170,681	(12.73)
<b>Total Shareholders' Equity</b>	<b>34,536,145</b>	<b>34,205,923</b>	<b>0.97</b>	<b>36,109,465</b>	<b>35,826,973</b>	<b>0.79</b>
<b>Non-Controlling Interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,184,643</b>	<b>1,213,666</b>	<b>(2.39)</b>
<b>Total Equity</b>	<b>34,536,145</b>	<b>34,205,923</b>	<b>0.97</b>	<b>37,294,108</b>	<b>37,040,639</b>	<b>0.68</b>
<b>Total Equity &amp; Liabilities</b>	<b>412,747,484</b>	<b>408,125,839</b>	<b>1.13</b>	<b>415,405,868</b>	<b>409,983,755</b>	<b>1.32</b>
<b>Contingent Liabilities and Commitments</b>	<b>114,088,900</b>	<b>99,500,731</b>	<b>14.66</b>	<b>114,155,900</b>	<b>99,568,595</b>	<b>14.65</b>
<b>Memorandum Information</b>						
Number of Employees	3,202	3,199	0.09	3,227	3,225	0.06
Number of Banking Centres	168	166	1.20	168	16	



# SEYLAN BANK PLC

## FINANCIAL STATEMENTS

Three months ended 31st March, 2018



### 11. ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS (Amount in Rupees Thousands)

	Bank - 31.03.2018				Bank - 31.12.2017					
	Held-for-Trading (HFT)	Held-to-Maturity (HTM)	Loans & Receivables (L&R)	Available-for-sale (AFS)	Total	Held-for-Trading (HFT)	Held-to-Maturity (HTM)	Loans & Receivables (L&R)	Available-for-sale (AFS)	Total
<b>Assets</b>										
Cash and Cash Equivalents	-	-	8,100,574	-	8,100,574	-	-	8,319,384	-	8,319,384
Balances with Central Bank of Sri Lanka	-	-	17,922,925	-	17,922,925	-	-	19,119,843	-	19,119,843
Placements with Banks and Finance Companies	-	-	-	-	-	-	-	1,455,115	-	1,455,115
Derivative Financial Instruments	40,010	-	-	-	40,010	60,165	-	-	-	60,165
Other Financial Assets Held-for-Trading	8,195,591	-	-	-	8,195,591	7,939,213	-	-	-	7,939,213
Securities Purchased under Resale Agreements	-	-	1,777,816	-	1,777,816	-	-	1,750,855	-	1,750,855
Customer Loans and Receivables	-	-	289,301,809	-	289,301,809	-	-	280,861,907	-	280,861,907
Financial Investments - Available-for-Sale	-	-	-	52,914,937	52,914,937	-	-	-	53,507,037	53,507,037
Financial Investments - Held-to-Maturity	-	20,443,411	-	-	20,443,411	-	21,529,778	-	-	21,529,778
Group Balances Receivable	-	-	30,000	-	30,000	-	-	30,000	-	30,000
Other Assets	-	-	6,307,666	-	6,307,666	-	-	4,922,113	-	4,922,113
<b>Total Financial Assets</b>	<b>8,235,601</b>	<b>20,443,411</b>	<b>323,440,790</b>	<b>52,914,937</b>	<b>405,034,739</b>	<b>7,999,378</b>	<b>21,529,778</b>	<b>316,459,217</b>	<b>53,507,037</b>	<b>399,495,410</b>
<b>Liabilities</b>										
Due to Banks	-	-	26,312,285	-	26,312,285	-	-	27,052,972	-	27,052,972
Derivative Financial Instruments	-	429,995	-	-	429,995	-	571,557	-	-	571,557
Customer Deposits	-	-	310,904,159	-	310,904,159	-	-	307,098,902	-	307,098,902
Securities Sold under Repurchase Agreements	-	-	12,844,727	-	12,844,727	-	-	16,631,973	-	16,631,973
Other Borrowings	-	-	21,548	-	21,548	-	-	22,396	-	22,396
Debtors	-	-	16,429,801	-	16,429,801	-	-	12,494,025	-	12,494,025
Group Balances Payable	-	-	269,397	-	269,397	-	-	1,145,110	-	1,145,110
Other Liabilities	-	-	6,809,054	-	6,809,054	-	-	5,154,901	-	5,154,901
<b>Total Financial Liabilities</b>	<b>429,995</b>	<b>429,995</b>	<b>373,590,971</b>	<b>374,020,966</b>	<b>374,020,966</b>	<b>571,557</b>	<b>571,557</b>	<b>369,600,279</b>	<b>370,171,836</b>	<b>370,171,836</b>

### EXPLANATORY NOTES

1. General  
There are no changes to the accounting policies and methods of computation since the publication of the last Annual Report. The Interim Financial Statements of the Bank and the Group have been prepared & presented in accordance with the Sri Lanka Accounting Standards (LKAS/SLFRS) and provided necessary disclosure to comply with LKAS 34, Interim Financial Reporting. The Interim Financial Statements have been prepared in accordance with LKAS/SLFRS. The Bank has prepared Interim Financial Statements based on 'LKAS 39 - Financial Instruments: Recognition and Measurement' and the Statement of Alternative Treatment (SOAT) issued by CA Sri Lanka.

The group financial statements comprise a consolidation of the Financial Statements of the Company and its subsidiary Seylan Developments PLC (70.51%).

MARKET PRICE (Rs.)	31/03/2018		31/03/2017	
	Voling	Non-Voling	Voling	Non-Voling
Market Price Per Share	86.80	55.10	87.00	54.70
Highest price per share during the quarter ended	94.80	57.40	99.00	60.00
Lowest price per share during the quarter ended	85.00	54.50	83.60	51.50

3.1 Twenty Largest Ordinary Voting Shareholders as at March 31, 2018		No. of Shares	%
1	Sri Lanka Insurance Corporation Ltd. (Includes Sri Lanka Insurance Corporation Ltd (General Fund) 18,410,399 and Sri Lanka Insurance Corporation Ltd (Life Fund) -9,205,199)	27,615,598	15.00
2	Brown & Company PLC A/C No. 1	25,544,310	13.87
3	Employees' Provident Fund	18,148,076	9.86
4	L.D.C. Investments Ltd.	17,584,715	9.55
5	National Development Bank PLC A/C No. 02	16,902,819	9.12
6	Bank of Ceylon No.1 Account	13,807,800	7.50
7	Mr. R S Captain	11,488,581	6.06
8	Mr. S E Captain	3,722,015	2.02
9	Employees' Trust Fund Board	3,326,890	1.81
10	Seylvest (Private) Limited	3,157,307	1.71
11	Ms. J A Captain	2,980,425	1.60
12	Sesot (Private) Limited	2,384,287	1.30
13	Seylvest (Private) Limited	2,265,433	1.23
14	Seylvest (Private) Limited	2,256,433	1.23
15	Esots (Private) Limited	2,247,331	1.22
16	Lanka Century Investments PLC	2,175,175	1.18
17	Capital Development and Investment Company PLC A/C No. 02	1,864,739	1.01
18	ALA Insurance Lanka PLC A/C No. 07	1,693,458	0.92
19	Mr. K R B Fernando	1,062,137	0.58
20	Sotse (Pvt) Ltd.	1,022,127	0.56

3.2 Twenty Largest Ordinary Non-Voting Shareholders as at March 31, 2018		No. of Shares	%
1	Lanka Orix Leasing Company PLC	79,955,209	43.63
2	Employees' Provident Fund	9,707,547	5.31
3	Alkair Brothers (Pvt) Ltd. A/C No. 1	3,662,827	2.03
4	Deutsche Bank Ag As Trustee For Jb Vantage Value Equity Fund	3,381,368	1.85
5	Pershing LLC S/A Avestach Grauson & Co.	3,357,772	1.84
6	J.B. Cocozhelli (Pvt) Ltd.	3,347,480	1.84
7	Thangarasuvaran & M. E. Thangarasuvaran	2,781,962	1.53
8	Commonwealth Bank of Ceylon PLC/Dunamis Capital PLC	2,607,311	1.43
9	Employees' Trust Fund Board	2,021,594	1.11
10	Mr. N. Balasingam	1,898,423	1.04
11	Lanka Orix Information Technology Services Ltd.	1,584,901	0.87
12	Deutsche Bank Ag-National Equity Fund	1,349,768	0.74
13	Deutsche Bank Ag As Trustee For Normal Acuity Value Fund	1,238,511	0.68
14	Dr. S. Yaddahage	1,141,365	0.63
15	Mr. R. Gattam	958,944	0.53
16	H&B International Nominees Ltd-SSRT-Deutsche Bank Ag Singapore A/C 01	824,093	0.45
17	Mr. M. J. Fernando	915,451	0.50
18	Mr. A P Somarasi	903,877	0.50
19	Miss S. Danga	846,316	0.47

3.3 Public Holdings as at March 31, 2018		Number of Shares	Percentage Holdings
-	Ordinary Voting Shares	9,026	54.29%
-	Ordinary Non-Voting Shares	6,758	55.95%

4. Directors' and Chief Executive Officer's Shareholdings as at March 31, 2018		No. of Shares (Ordinary Voting)	No. of Shares (Ordinary Non-voting)
Mr. M R S Dias Non-executive Director/Chairman		Nil	Nil
Mr. C Nanjakkaran Non-executive Director/Deputy Chairman		Nil	Nil
Ms. M C Pitezas Independent Director/Senior Director		Nil	Nil
Mr. K P Ariyaratne Director/Chief Executive Officer		38,206	145,395
Mr. S P S Rastalinga Independent Director		Nil	Nil
Mr. W D K Jayawardena Non-executive Director		Nil	Nil
Mr. P. L. S. K. Perera Independent Director		Nil	Nil
Mr. S. V. Corea Non-executive Director		Nil	Nil
Mr. S. Wijesingha Independent Director		Nil	Nil
Mrs. S. K. Salgado Independent Director		Nil	Nil

5. Stated Capital as at March 31, 2018		Rs. 000
33,560,000 Voting Ordinary Shares @ Rs. 10/- each		335,600
1,400,000 Voting Ordinary Shares @ Rs. 25/- each		35,000
92,440,000 Voting Ordinary Shares @ Rs. 35/- each		3,235,400
2,644,068 Voting Ordinary Shares @ Rs. 59/- each		156,000
43,333,333 Voting Ordinary Shares @ Rs. 75/- each		3,250,000
3,636,268 Voting Ordinary Shares @ Rs. 98/- each		356,354
4,490,341 Voting Ordinary Shares @ Rs. 90/- each		404,131
83,300,000 Non-Voting Ordinary Shares @ Rs. 125.00 each		10,412,500
40,000,000 Non-Voting Ordinary Shares @ Rs. 25/- each		1,000,000
45,423,009 Non-Voting Ordinary Shares @ Rs. 35/- each		1,589,805
5,853,423 Non-Voting Ordinary Shares @ Rs. 58.00 each		342,191
17,152,645 Non-Voting Ordinary Shares @ Rs. 55/- each		935,395
Less: Issue Expenses		(181,581)
		<b>12,025,795</b>

6. Basic/Diluted Earnings per Share  
Basic Earnings per share has been calculated by dividing profit after tax attributable to the equity holders of the Bank by the weighted average number of shares in issue (both Voting & non-voting) during the quarter ended March 31, 2018. Diluted Earnings per Share and the Basic Earnings per Share is the same due to non-availability of potentially dilutive ordinary shares. Weighted average number of ordinary shares and the earnings per share for the 3 months ended March 31, 2017 have been restated based on the no of shares issued for scrip dividend 2017.

7. Events after the Reporting Date  
There were no material events occurred after the reporting date that require adjustments to or disclosure in the financial statements.

8. Other Information  
i. The dividend of Rs.3.50 per share was declared and approved by the shareholders at the Annual General Meeting of the Bank held on March 23, 2018 and issued to the Ordinary Voting and Non-voting Shareholders of the Bank entitled as at end of trading on March 23, 2018. This dividend consisted of Rs.1.00 per share in the form of cash dividend and Rs.2.50 per share in the form of scrip dividend.  
ii. The 20 Million Unsecured Subordinated Redeemable Listed Debentures of the Par Value of Rs.100/- amounted to Rs. 2,000 Million, issued and allotted by the Bank in February 2013 was matured and redeemed in February 2018.  
iii. The Bank allotted 62,340,000 fully paid BASEL III compliant, Tier 2, listed, rated, unsecured, subordinated, redeemable Debentures of Rs. 100/- each amounting to Rs. 6,234,000,000/- to the applicants of the Debenture issue on 29th March 2018.  
iv. The bank designated some of forward foreign currency SWAPs as hedging instruments to hedge foreign currency risk of liabilities denominated in foreign currencies. The fair value changes associated with these derivatives were initially recognized in Other Reserves through Other Comprehensive Income (OCI). The amount recognized in OCI is reclassified to profit or loss, and in the same line item in the statement of profit or loss.  
v. The Bank has signed a Memorandum of Settlement (MOS) with Ceylon Bank Employees Union (CBEU) who represents the majority of current employees to settle the payment of the enhanced gratuity by utilizing proceeds expected from disposal of shares held by Share Trust companies upon completion of the following conditions:  
There being no orders from court which would prevent the share owning companies and trustees from disposing of the shares and crediting the proceeds therefrom to the gratuity fund of the bank for the payment of the enhanced gratuity; and The Bank being given a period of one year effective from 1st Jan 2016 to procure the disposal of the shares by the trustees and crediting the proceeds therefrom to the gratuity fund.  
Further, the bank has extended the proposal to its ex-employees who are eligible for enhanced gratuity.  
The bank has not recognized the enhanced gratuity liability in the financial statements as the settlement is contingent upon the completion of the above events and also making a reliable estimate of financial impact is not practical as it would depend on number of uncertain variables that are attached to the above mentioned proposed settlement scheme.  
vi. SLFRS 9, issued in July 2014, is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. It replaces LKAS 39 Financial Instruments: Recognition and Measurement.  
The Bank has assessed the impact on transition based on gap analysis and quantifications performed on its Financial Statements as at 31st December 2016 on adoption of SLFRS 9 is expected to be in the range of 30% to 40% of the total impairment provision on different portfolios.  
Based on the preliminary assessments undertaken, the estimated additional impairment provision on the Financial Statements for the year ended December 31, 2016, on adoption of SLFRS 9 is expected to be in the range of 30% to 40% of the total impairment provision on different portfolios.

9. Comparative Figures  
Comparative figures have been re-stated/classified where necessary, to conform to the current period presentation.  
During the quarter there were no material changes in Contingent Liabilities, composition of Assets and Liabilities and use of funds raised by the Bank.  
All known expenditure items have been provided for in these Interim Accounts.

### 10. SEGMENT REPORTING - GROUP (Amount in Rupees Thousands)

	BANKING		TREASURY		PROPERTY/INVESTMENTS		UNALLOCATED/ELIMINATIONS		TOTAL	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Interest Income	9,606,975	8,726,102	1,280,808	832,889	25,860	9,131	530,526	555,227	11,444,169	10,123,349
Interest Expense	6,395,777	5,796,849	809,440	706,964	-	8	(25,090)	(5,407)	7,189,127	6,498,414
<b>Net Interest Income</b>	<b>3,211,198</b>	<b>2,929,253</b>	<b>471,368</b>	<b>125,925</b>	<b>25,860</b>	<b>9,123</b>	<b>505,616</b>	<b>560,634</b>	<b>4,255,042</b>	<b>3,624,935</b>
Fee and Commission Income	1,033,849	897,094	2,286	2,322	-	-	7,568	5,665	1,043,703	905,081
Fee and Commission Expense	40,514	28,157	7,950	8,351	1,048	1,531	-	17	49,512	38,056
<b>Net Fee And Commission Income</b>	<b>993,335</b>	<b>868,937</b>	<b>(5,664)</b>	<b>(6,029)</b>	<b>(1,048)</b>	<b>(1,531)</b>	<b>7,568</b>	<b>5,648</b>	<b>994,191</b>	<b>867,025</b>
Net Trading Income	-	-	89,908	(36,755)	(76)	(1,565)	-	89,832	(36,320)	-
Net Gain on Financial Investments	-	-	33,368	(4,096)	-	-	-	33,368	(4,096)	-
Net Exchange Income	48,849	41,389	(8,512)	123,537	-	-	38,436	20,791	78,773	191,717
Other Operating Income (Net)	15,526	12,330	1,612	1,886	61,992	52,872	24,092	(31,848)	103,222	35,240
Inter Segment Revenue	(58,848)	(54,805)	41,690	36,013	-	-	17,158	18,792	-	-
<b>Total Operating Income</b>	<b>4,210,060</b>	<b>3,797,104</b>	<b>623,770</b>	<b>246,481</b>	<b>86,728</b>	<b>58,899</b>	<b>642,870</b>	<b>574,017</b>	<b>5,563,428</b>	<b>4,676,501</b>
Depreciation and Amortisation Charge	107,546	108,721	509	288	221	199	88,025	66,906	196,301	176,114
Impairment Losses	542,442	345,749	-	-	5,346,198	29,827,816	39,237,055	442,442	345,749	345,749
Operating Expenses, VAT & NET	2,417,026	2,327,574	113,047	56,993	17,833	20,524	732,441	526,731	3,280,347	2,931,822
<b>Reportable Segment Profit Before Income Tax</b>	<b>1,143,046</b>	<b>1,015,060</b>	<b>510,214</b>	<b>189,200</b>	<b>68,674</b>	<b>38,176</b>	<b>(177,596)</b>	<b>(19,820)</b>	<b>1,544,338</b>	<b>1,222,816</b>

### STATEMENT OF CHANGES IN EQUITY - BANK (Amount in Rupees Thousands)

For the Three Months ended 31st March	Stated Capital		Statutory Reserve Fund *	Retained Earnings	Reserves			Total	Non-Controlling Interest	Total Equity
	Ordinary Shares -Voting	Ordinary Shares -Non-Voting			Revaluation Reserve	Available for Sale Reserve	Other Reserves			
<b>1 Balance as at 01st January 2017</b>	<b>6,962,722</b>	<b>3,567,002</b>	<b>1,387,964</b>	<b>14,050,233</b>	<b>1,474,482</b>	<b>(1,691,584)</b>	<b>2,021,463</b>	<b>27,772,282</b>		
<b>Total Comprehensive Income for the Period</b>										
Profit for the Period	-	-	-	866,180	-	-	-	866,180	-	866,180
Other Comprehensive Income (net of tax)	-	-	-	-	-	-	-	-	-	-
- Net Gain on Re-measuring Available-for-Sale Financial Assets	-	-	-	-	-	-	47,943	47,943	-	47,943