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INTERIM FINANCIAL STATEMENTS
for the six months ended 30 June 2018
(Un -audited)

Bank of Ceylon

STATEMENT OF PROFIT OR LOSS

1

Rs. 000

30 June	Bank						Group					
	For the six month ended			For the quarter ended			For the six month ended			For the quarter ended		
	2018	2017	Change %	2018	2017	Change %	2018	2017	Change %	2018	2017	Change %
Total income	101,988,022	90,358,326	12.9	51,955,298	46,400,743	12.0	105,967,665	93,968,458	12.8	53,564,041	48,209,664	11.1
Interest income	92,294,124	81,168,505	13.7	46,992,778	41,746,689	12.6	95,491,093	84,212,191	13.4	48,565,340	43,397,763	11.9
Interest expenses	(62,810,125)	(52,778,188)	19.0	(31,859,126)	(26,890,659)	18.5	(64,474,144)	(54,375,299)	18.6	(32,677,211)	(27,767,913)	17.7
Net interest income	29,483,999	28,390,317	3.9	15,133,652	14,856,030	1.9	31,016,949	29,836,892	4.0	15,888,129	15,629,850	1.7
Fee and commission income	4,858,236	4,423,238	9.8	2,532,922	1,757,643	44.1	5,077,321	4,606,812	10.2	2,647,429	1,887,854	40.2
Fee and commission expenses	(1,119,896)	(904,472)	23.8	(499,122)	(368,478)	35.5	(1,127,496)	(969,424)	16.3	(502,688)	(418,370)	20.2
Net fee and commission income	3,738,340	3,518,766	6.2	2,033,800	1,389,165	46.4	3,949,825	3,637,388	8.6	2,144,741	1,469,484	46.0
Net gains / (losses) from trading	1,154,294	1,769,471	(34.8)	504,630	1,090,075	(53.7)	1,154,588	1,799,501	(35.8)	488,556	1,134,996	(57.0)
Net gains / (losses) from financial instruments designated at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	-	-
Net gains / (losses) from financial investments	269,760	349,632	(22.8)	116,454	21,866	432.6	288,956	368,828	(21.7)	116,454	41,062	183.6
Other operating income	3,411,608	2,647,480	28.9	1,808,514	1,784,470	1.3	3,955,707	2,981,126	32.7	1,746,262	1,747,989	(0.1)
	4,835,662	4,766,583	1.4	2,429,598	2,896,411	(16.1)	5,399,251	5,149,455	4.9	2,351,272	2,924,047	(19.6)
Total operating income	38,058,001	36,675,666	3.8	19,597,050	19,141,606	2.4	40,366,025	38,623,735	4.5	20,384,142	20,023,381	1.8
Impairment (charge) / reversal for loans and other losses	(7,042,476)	(6,208,265)	13.4	(4,823,846)	(4,418,348)	9.2	(7,443,346)	(6,224,224)	19.6	(4,992,620)	(4,445,755)	12.3
Individual impairment	(2,632,521)	(2,963,471)	(11.2)	(2,782,079)	(1,875,805)	48.3	(2,706,101)	(2,973,784)	(9.0)	(2,813,057)	(1,880,710)	49.6
Collective impairment	(4,409,955)	(3,244,794)	35.9	(2,041,767)	(2,542,543)	(19.7)	(4,737,245)	(3,250,440)	45.7	(2,179,563)	(2,565,045)	(15.0)
Other losses	-	-	-	-	-	-	-	-	-	-	-	-
Net operating income	31,015,525	30,467,401	1.8	14,773,204	14,723,258	0.3	32,922,679	32,399,511	1.6	15,391,522	15,577,626	(1.2)
Operating expenses												
Personnel expenses	(9,244,890)	(8,765,706)	5.5	(4,986,107)	(5,054,608)	(1.4)	(10,170,937)	(9,664,162)	5.2	(5,454,916)	(5,529,251)	(1.3)
Depreciation and amortisation	(1,068,861)	(931,859)	14.7	(528,025)	(519,283)	1.7	(1,370,013)	(1,233,645)	11.1	(641,383)	(670,248)	(4.3)
Other expenses	(5,622,559)	(3,105,200)	81.1	(2,913,120)	(1,120,089)	160.1	(6,394,137)	(3,333,473)	91.8	(3,103,973)	(1,045,938)	196.8
Total operating expenses	(15,936,310)	(12,802,765)	24.5	(8,427,252)	(6,693,980)	25.9	(17,935,087)	(14,231,280)	26.0	(9,200,272)	(7,245,437)	27.0
Operating profit before Value Added Tax (VAT) and Nation Building Tax (NBT) on financial services	15,079,215	17,664,636	(14.6)	6,345,952	8,029,278	(21.0)	14,987,592	18,168,231	(17.5)	6,191,250	8,332,189	(25.7)
Value Added Tax (VAT) and Nation Building Tax (NBT) on financial services	(3,371,068)	(3,509,510)	(3.9)	(1,424,108)	(1,782,372)	(20.1)	(3,429,758)	(3,595,438)	(4.6)	(1,453,745)	(1,827,631)	(20.5)
Operating profit after Value Added Tax (VAT) and Nation Building Tax (NBT) on financial services	11,708,147	14,155,126	(17.3)	4,921,844	6,246,906	(21.2)	11,557,834	14,572,793	(20.7)	4,737,505	6,504,558	(27.2)
Share of profits / (losses) of Associate companies, net of tax	-	-	-	-	-	-	17,388	30,929	(43.8)	16,723	24,339	(31.3)
Profit before income tax	11,708,147	14,155,126	(17.3)	4,921,844	6,246,906	(21.2)	11,575,222	14,603,722	(20.7)	4,754,228	6,528,897	(27.2)
Income tax expense	(4,036,923)	(4,022,602)	0.4	(2,020,193)	(1,987,421)	1.6	(4,159,063)	(4,145,401)	0.3	(2,100,160)	(2,056,090)	2.1
Profit for the period	7,671,224	10,132,524	(24.3)	2,901,651	4,259,485	(31.9)	7,416,159	10,458,321	(29.1)	2,654,068	4,472,807	(40.7)
Profit attributable to:												
Equity holder of the Bank	7,671,224	10,132,524	(24.3)	2,901,651	4,259,485	(31.9)	7,496,326	10,410,860	(28.0)	2,696,829	4,442,152	(39.3)
Non controlling interest	-	-	-	-	-	-	(80,167)	47,461	(268.9)	(42,761)	30,655	(239.5)
Profit for the period	7,671,224	10,132,524	(24.3)	2,901,651	4,259,485	(31.9)	7,416,159	10,458,321	(29.1)	2,654,068	4,472,807	(40.7)
Earnings per share:												
Basic earnings per share (Rs.)	887.99	2,026.50	(56.2)	148.76	425.95	(65.1)	867.74	2,082.17	(58.3)	138.26	444.22	(68.9)
Diluted earnings per share (Rs.)	767.12	1,351.00	(43.2)	145.08	419.06	(65.4)	749.63	1,388.11	(46.0)	134.84	728.60	(81.5)

STATEMENT OF COMPREHENSIVE INCOME

2

Rs. 000

30 June	Bank								Group							
	For the six month ended				For the quarter ended				For the six month ended			For the quarter ended				
	2018	2017	Change	%	2018	2017	Change	%	2018	2017	Change	2018	2017	Change	%	
Profit for the period	7,671,224	10,132,524		(24.3)	2,901,651	4,259,485		(31.9)	7,416,159	10,458,321		(29.1)	2,654,068	4,472,807		(40.7)
Other comprehensive income for the period , net of tax																
Items that will not be reclassified to profit or loss																
Acturial gains / (losses) on defined benefit plans	-	-	-	-	-	-	-	-	1,043	(1,343)	177.7	677	(2,246)	130.1		
Deferred tax effect on above	-	-	-	-	-	-	-	-	(290)	-	-	(180)	-	-		
	-	-	-	-	-	-	-	-	753	(1,343)	156.1	497	(2,246)	122.1		
Items that are or may be reclassified to profit or loss																
Net exchange gains / (losses) arising from translating the financial statements of foreign operations	(16,560)	333,341		(105.0)	(105,240)	75,630		(239.2)	(5,844)	539,680	(101.1)	(281,222)	213,670	(231.6)		
Gains / (Losses) on remeasuring available for sale financial investments	(479,892)	(45,896)		945.6	(420,992)	540,110		(177.9)	(705,263)	(44,959)	1,468.7	(603,003)	621,320	(197.1)		
Deferred tax effect on above	(55,415)	(28,363)		95.4	(29,452)	(11,887)		147.8	(55,415)	(28,363)	95.4	(29,452)	(11,887)	147.8		
Realised (gains) / losses on available for sale financial investments transferred to profit or loss	(14,879)	(1,240)		1,099.9	-	(1,251)		-	(14,878)	(1,240)	1,099.8	1	(1,251)	(100.1)		
Share of other comprehensive income of Associate companies, net of tax	-	-	-	-	-	-	-	-	(4,145)	323	(1,383.2)	(6,757)	4,795	(240.9)		
	(566,746)	257,842		(319.8)	(555,684)	602,602		(192.2)	(785,545)	465,441	(268.8)	(920,433)	826,647	(211.3)		
Other comprehensive income for the period, net of tax	(566,746)	257,842		(319.8)	(555,684)	602,602		(192.2)	(784,792)	464,098	(269.1)	(919,936)	824,401	(211.6)		
Total comprehensive income for the period	7,104,478	10,390,366		(31.6)	2,345,967	4,862,087		(51.7)	6,631,367	10,922,419		(39.3)	1,734,132	5,297,208		(67.3)
Attributable to:																
Equity holder of the Bank	7,104,478	10,390,366		(31.6)	2,345,967	4,862,087		(51.7)	6,722,284	10,874,343		(38.2)	1,785,542	5,261,205		(66.1)
Non controlling interest	-	-	-	-	-	-	-	-	(90,917)	48,076	(289.1)	(51,410)	36,003	(242.8)		
Total comprehensive income for the period	7,104,478	10,390,366		(31.6)	2,345,967	4,862,087		(51.7)	6,631,367	10,922,419		(39.3)	1,734,132	5,297,208		(67.3)

As at	Bank			Group		
	30-Jun-2018	31-Dec -2017 (Audited)	Change %	30-Jun-2018	31-Dec -2017 (Audited)	Change %
Assets						
Cash and cash equivalents	63,161,538	72,843,108	(13.3)	69,958,156	78,005,362	(10.3)
Balances with Central Banks	70,207,428	68,689,012	2.2	70,207,428	68,689,012	2.2
Placements with banks	13,833,511	8,067,490	71.5	10,170,384	5,319,602	91.2
Securities purchased under resale agreements	-	18,455,555	(100.0)	2,204,779	19,872,247	(88.9)
Derivative financial instruments	31,858	1,618,823	(98.0)	31,858	1,618,823	(98.0)
Financial instruments - Held for trading	12,721,732	8,359,274	52.2	13,035,865	8,596,548	51.6
Financial investments - Loans and receivables	200,397,921	213,167,048	(6.0)	200,398,979	214,349,624	(6.5)
Loans and advances to customers	1,208,723,964	1,163,160,914	3.9	1,240,102,599	1,194,294,394	3.8
Financial investments - Available for sale	28,332,747	17,921,170	58.1	32,278,378	22,552,292	43.1
Financial investments - Held to maturity	318,060,397	308,256,082	3.2	318,090,057	308,750,317	3.0
Investment in Subsidiary companies	6,513,048	6,513,048	-	-	-	-
Investment in Associate companies	92,988	92,988	-	455,036	446,793	1.8
Investment properties	2,824,392	2,882,928	(2.0)	122,321	123,773	(1.2)
Property, plant and equipment	23,615,178	23,046,114	2.5	36,916,489	36,608,919	0.8
Leasehold properties	99,681	101,481	(1.8)	131,961	134,441	(1.8)
Intangible assets	1,195,475	810,730	47.5	1,423,140	1,074,436	32.5
Deferred tax assets	-	-	-	8,800	8,621	2.1
Other assets	36,862,459	37,818,188	(2.5)	40,437,956	38,964,979	3.8
Total assets	1,986,674,317	1,951,803,953	1.8	2,035,974,186	1,999,410,183	1.8
Liabilities						
Due to banks	2,951,736	2,203,199	34.0	3,176,766	2,194,266	44.8
Securities sold under repurchase agreements	61,620,272	44,487,462	38.5	61,534,799	44,628,686	37.9
Derivative financial instruments	406,403	70,715	474.7	406,403	70,715	474.7
Due to customers	1,617,377,662	1,546,832,036	4.6	1,636,818,157	1,566,376,418	4.5
Other borrowings	122,260,998	178,191,089	(31.4)	129,316,702	184,330,181	(29.8)
Debt securities issued	-	-	-	4,008,017	5,667,514	(29.3)
Current tax liabilities	858,357	1,877,342	(54.3)	1,002,370	2,051,020	(51.1)
Deferred tax liabilities	5,926,384	5,820,329	1.8	8,699,421	8,625,219	0.9
Insurance provision - Life	-	-	-	572,945	547,026	4.7
Insurance provision - Non life	-	-	-	374,394	430,093	(13.0)
Other liabilities	14,156,370	18,596,249	(23.9)	18,607,071	19,936,478	(6.7)
Subordinated term debts	44,529,786	42,570,457	4.6	44,185,173	42,226,067	4.6
Total liabilities	1,870,087,968	1,840,648,878	1.6	1,908,702,218	1,877,083,683	1.7
Equity						
Share capital	20,000,000	20,000,000	-	20,000,000	20,000,000	-
Permanent reserve fund	10,427,000	10,427,000	-	10,427,000	10,427,000	-
Retained earnings	69,470,269	63,472,250	9.4	70,920,574	65,100,871	8.9
Other reserves	16,689,080	17,255,825	(3.3)	25,100,629	25,871,254	(3.0)
Total equity attributable to equity holder of the Bank	116,586,349	111,155,075	4.9	126,448,203	121,399,125	4.2
Non controlling interest	-	-	-	823,765	927,375	(11.2)
Total equity	116,586,349	111,155,075	4.9	127,271,968	122,326,500	4.0
Total liabilities and equity	1,986,674,317	1,951,803,953	1.8	2,035,974,186	1,999,410,183	1.8
Contingent liabilities and commitments	504,541,936	507,258,821	(0.5)	504,836,480	508,399,376	(0.7)

STATEMENT OF CHANGES IN EQUITY- BANK

4

Rs. 000

	Share capital		Permanent reserve fund	Other reserves			Retained earnings	Total Equity
	Share capital	Capital pending allotment		Available for sale reserve	Other reserves	Revaluation reserve		
Balance as at 01 January 2017	10,000,000	5,000,000	7,996,000	4,487,181	1,209,435	10,002,294	54,154,685	92,849,595
Total comprehensive income for the period								
Profit for the period							10,132,524	10,132,524
Other comprehensive income, net of tax				(75,499)	333,341	-	-	257,842
Dividends for 2017							(1,173,205)	(1,173,205)
Balance as at 30 June 2017	10,000,000	5,000,000	7,996,000	4,411,682	1,542,776	10,002,294	63,114,004	102,066,756
Balance as at 01 January 2018	15,000,000	5,000,000	10,427,000	3,718,526	1,570,810	11,966,489	63,472,250	111,155,075
Total comprehensive income for the period								
Profit for the period							7,671,224	7,671,224
Other comprehensive income, net of tax				(550,185)	(16,560)	-	-	(566,745)
Dividends for 2018							(1,673,205)	(1,673,205)
Transfers to share capital	5,000,000	(5,000,000)						-
Balance as at 30 June 2018	20,000,000	-	10,427,000	3,168,341	1,554,250	11,966,489	69,470,269	116,586,349

STATEMENT OF CHANGES IN EQUITY -GROUP

Rs. 000

	Share capital		Permanent reserve fund	Other reserves			Retained earnings	Non controlling interest	Total Equity
	Share capital	Capital pending allotment		Available for sale reserve	Other reserves	Revaluation reserve			
Balance as at 01 January 2017	10,000,000	5,000,000	7,996,000	5,562,266	1,763,963	16,494,059	55,659,003	879,445	103,354,736
Total comprehensive income for the period									
Profit for the period							10,410,860	47,461	10,458,321
Other comprehensive income, net of tax				(75,246)	539,680		(951)	615	464,098
Dividends for 2017							(1,173,205)		(1,173,205)
Subsidiary dividends to non controlling interest								(1,931)	(1,931)
Balance as at 30 June 2017	10,000,000	5,000,000	7,996,000	5,487,020	2,303,643	16,494,059	64,895,707	925,590	113,102,019
Balance as at 01 January 2018	15,000,000	5,000,000	10,427,000	4,760,616	2,429,373	18,681,265	65,100,871	927,375	122,326,500
Total comprehensive income for the period									
Profit for the period							7,496,326	(80,167)	7,416,159
Other comprehensive income, net of tax				(764,781)	(5,844)	-	(3,418)	(10,749)	(784,792)
Dividends for 2018							(1,673,205)		(1,673,205)
Subsidiary dividends to non controlling interest								(12,694)	(12,694)
Transfers to share capital	5,000,000	(5,000,000)							-
Balance as at 30 June 2018	20,000,000	-	10,427,000	3,995,835	2,423,529	18,681,265	70,920,574	823,765	127,271,968

STATEMENT OF CASH FLOWS

5

Rs.'000

For the six months ended 30 June	Bank		Group	
	2018	2017	2018	2017
Cash flows from operating activities				
Profit before income tax	11,708,147	14,155,126	11,575,222	14,603,722
Adjustments for :				
Net interest income	(29,483,999)	(28,390,317)	(31,016,949)	(29,836,892)
Dividend income on trading securities	(67,082)	(69,258)	(71,847)	(69,368)
Dividends from Subsidiaries and Associates	(202,619)	(12,631)	-	-
Share of (profits) / losses of Associate companies, net of tax	-	-	(17,388)	(30,929)
Change in operating assets	(38,748,243)	(104,049,660)	(41,927,959)	(106,432,187)
Change in operating liabilities	58,346,553	162,162,528	58,669,198	163,432,995
Other non cash items included in profit before tax	6,245,786	2,699,757	6,947,808	2,692,100
Other net gains from investing activities	(269,760)	(349,632)	(288,956)	(368,828)
	7,528,783	46,145,913	3,869,129	43,990,613
Contribution paid from defined benefit plans	(5,700,680)	(3,448,399)	(5,713,279)	(3,452,365)
Interest received	65,555,812	57,490,698	68,671,903	60,726,561
Interest paid	(61,254,727)	(37,505,126)	(62,305,129)	(38,417,166)
Dividends received	67,082	69,258	71,847	69,368
Net cash from operating activities before income tax	6,196,270	62,752,344	4,594,471	62,917,011
Income tax paid	(3,657,560)	-	(3,763,597)	(170,499)
Net cash from operating activities	2,538,710	62,752,344	830,874	62,746,512
Cash flows from investing activities				
Net increase in financial investments - Held to maturity	(9,175,096)	(2,296,975)	(8,710,521)	(2,483,139)
Net increase in financial investments - Available for sale	(10,805,649)	(4,145,914)	(10,345,530)	(3,016,949)
Net (increase) /decrease in financial investments - Loans and receivables	12,769,127	(21,574,646)	13,950,659	(22,369,272)
Purchase of property plant and equipment and leasehold properties	(1,435,063)	(1,693,219)	(1,477,225)	(1,700,593)
Purchase of intangible assets	(736,110)	(402,148)	(739,841)	(402,148)
Dividends received	371,681	325,319	188,258	331,884
Interest received	22,663,345	19,156,797	22,900,267	20,552,997
Net cash from/(used in) investing activities	13,652,234	(10,630,786)	15,766,067	(9,087,220)
Cash flows from financing activities				
Net decrease in other borrowings	(20,269,062)	(41,518,475)	(18,941,474)	(43,350,804)
Proceeds from issue of debentures	-	-	-	2,000,000
Dividends paid to Government of Sri Lanka	(1,673,205)	(1,173,205)	(1,673,205)	(1,173,205)
Dividends paid to non controlling interest	-	-	(12,694)	(1,931)
Interest payments on borrowings and debt securities	(4,057,276)	(10,287,067)	(4,377,765)	(10,918,316)
Net cash from used in financing activities	(25,999,543)	(52,978,747)	(25,005,138)	(53,444,256)
Net increase/(decrease) in cash and cash equivalents during the period	(9,808,598)	(857,189)	(8,408,196)	215,036
Cash and cash equivalents at the beginning of the period	71,731,508	66,898,438	76,902,695	72,425,067
Cash and cash equivalents at the end of the period	61,922,910	66,041,249	68,494,499	72,640,103
Analysis of cash and cash equivalents				
Cash and cash equivalents	63,161,538	68,989,551	69,958,156	75,600,281
Bank overdrafts	(1,238,628)	(2,948,302)	(1,463,657)	(2,960,178)
Cash and cash equivalents at the end of the period	61,922,910	66,041,249	68,494,499	72,640,103

As at	Bank		Group	
	30-Jun-2018	31-Dec-2017 (Audited)	30-Jun-2018	31-Dec-2017 (Audited)
Net assets value per share (Rs)	5,829.32	7,410.34	6,322.41	8,093.28
Profitability				
Interest margin	2.99%	3.22%	3.07%	3.31%
Return on assets (before tax)	1.19%	1.68%	1.15%	1.66%
Return on equity (after tax)	13.47%	20.89%	11.88%	19.04%
Assets Quality				
Gross non - performing advances ratio, (Net of interest in suspense)	4.50%	2.85%		
Net non - performing advances ratio, (Net of interest in suspense and provisions)	2.02%	0.34%		
Investor Information				
Debt equity (%)	40.66	41.48		
Interest cover (times)	2.44	2.47		
Memorandum Information				
Number of employees	7,396	7,587		
Number of branches	576	580		

KEY REGULATORY RATIOS - CAPITAL AND LIQUIDITY

As at	Bank		Group	
	30-Jun-2018	31-Dec-2017 (Audited)	30-Jun-2018	31-Dec-2017 (Audited)
Regulatory Capital (Rs. ' 000)				
Common equity Tier 1	91,939,701	92,596,974	98,878,910	99,289,566
Tier I capital	91,939,701	92,596,974	98,878,910	99,289,566
Total capital	126,681,806	125,460,069	135,016,024	132,382,713
Regulatory Capital Ratios (%)				
Common equity Tier 1 capital ratio (Minimum requirement, Basel III - 7.375%)	9.92%	10.77%	10.09%	10.87%
Tier I capital ratio (Minimum requirement, Basel III - 8.875%)	9.92%	10.77%	10.09%	10.87%
Total capital ratio (Minimum requirement, Basel III - 12.875%)	13.66%	14.59%	13.77%	14.49%
Regulatory Liquidity				
Statutory liquid assets,				
- Domestic banking unit (Rs. ' 000)	494,940,026	477,892,172		
- Off-shore banking unit (US\$ 000)	740,399	878,439		
Statutory liquid assets ratio, (minimum requirement, 20%)				
- Domestic banking unit	26.13%	27.22%		
- Off-shore banking unit	51.92%	21.91%		
Liquidity coverage ratio - Rupee (Minimum requirement, 90%)	155.15%	141.46%		
Liquidity coverage ratio - All currency (Minimum requirement, 90%)	113.48%	105.04%		

SHARE INFORMATION

Shareholder	30-Jun-2018		31-Dec-2017	
	No of Ordinary Shares	Holding %	No of Ordinary Shares	Holding %
Government of Sri Lanka	20,000,000	100	20,000,000 *	100

* This includes 5,000,000 Nos. of shares in pending allotment.

1. The interim financial statements are presented in accordance with Sri Lanka Accounting Standard - LKAS 34 on "Interim Financial Reporting". These interim condensed financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2017. In order to conform to better presentation, previous year figures and phrases have been adjusted where relevant.
2. There are no changes in accounting policies and methods of computation since the publication of annual accounts for the year 2017.
3. The Sri Lanka Accounting Standard, SLFRS 09-Financial Instruments is effective for annual periods beginning on or after 01st January 2018. However, the Bank has prepared Interim Financial Statements based on "LKAS 39- Financial Instruments Recognition and Measurement as permitted by the Statement of Alternative Treatment (SoAT) issued by CA Sri Lanka. The estimated additional impairment provision on the Financial Statements for the year ended 31 December 2016, on adoption of SLFRS 09 is expected to be increased in the range of 25% to 35% of the total impairment provision.
4. Other than the above, no circumstances have arisen and no material events have occurred since the reporting date, which require disclosures or adjustments to the financial statements.
5. During the period there were no material changes in the composition of assets, liabilities and contingent liabilities.
6. All known expenses have been charged in these financial statements.
7. The Group financial statements comprise a consolidation of the Bank and its Subsidiaries, Property Development PLC, Merchant Bank of Sri Lanka & Finance PLC, Hotels Colombo (1963) Limited, BOC Property Development & Management (Private) Limited, BOC Travels (Private) Limited, Ceybank Holiday Homes (Private) Limited, BOC Management & Support Services (Private) Limited, MBSL Insurance Company Limited, Koladeniya Hydropower (Private) Limited and Bank of Ceylon (UK) Limited and the Group's interest in its Associate companies, Lanka Securities (Private) Limited, Southern Development Financial Company Limited, Transnational Lanka Records Solutions (Private) Limited and Ceybank Asset Management Limited.

CERTIFICATION

I certify that the above financial statements give a true and fair view of the state of affairs of Bank of Ceylon and the Group as at 30 June 2018 and its profit for the six months ended 30 June 2018.

Sgd.

R M D Vipula Jayabahu

Acting Chief Financial Officer

We, the undersigned, being the Directors and General Manager of the Bank of Ceylon certify jointly that;

- a) the above statements have been prepared in compliance with the formats and definitions prescribed by the Central Bank of Sri Lanka and Rule 7.4 of Colombo Stock Exchange and Sri Lanka Accounting Standard – LKAS 34 on "Interim Financial Reporting".
- b) the information contained in these statements have been extracted from the un-audited financial statements of the Bank and the Group.

Sgd.

Ronald C Perera

Chairman

(Independent Non-Executive)

Sgd.

Samantha Rajapaksa

Director

(Independent Non-Executive)

Sgd.

Senarath Bandara

General Manager

14 August 2018

Colombo

As at 30 June		2018					
	Held for trading	Designated at fair value	Held to maturity	Loans and receivables / Amortised Cost	Available for sale	Others	Total
Financial assets							
Cash and cash equivalents				63,161,538			63,161,538
Balances with Central Banks				70,207,428			70,207,428
Placements with banks				13,833,511			13,833,511
Securities purchased under resale agreements				-			-
Derivative financial instruments	31,858						31,858
Loans and advances to customers				1,208,723,964			1,208,723,964
Financial investments	12,721,732	-	318,060,397	200,397,921	28,332,747		559,512,797
Total financial assets	12,753,590	-	318,060,397	1,556,324,363	28,332,747	-	1,915,471,097
Other assets						71,203,220	71,203,220
Total assets	12,753,590	-	318,060,397	1,556,324,363	28,332,747	71,203,220	1,986,674,317

	Held for trading	Amortised Cost	Others	Total
Financial liabilities				
Due to banks		2,951,736		2,951,736
Securities sold under repurchase agreements		61,620,272		61,620,272
Derivative financial instruments	406,403			406,403
Other financial liabilities held for trading				-
Due to customers		1,617,377,662		1,617,377,662
Other borrowings		122,260,998		122,260,998
Debt securities issued		-		-
Subordinated term debts		44,529,786		44,529,786
Total financial liabilities	406,403	1,848,740,454	-	1,849,146,857
Other liabilities			20,941,111	20,941,111
Total liabilities	406,403	1,848,740,454	20,941,111	1,870,087,968

As at 31 December		2017					
	Held for trading	Designated at fair value	Held to maturity	Loans and receivables / Amortised Cost	Available for sale	Others	Total
Financial assets							
Cash and cash equivalents				72,843,108			72,843,108
Balances with Central Banks				68,689,012			68,689,012
Placements with banks				8,067,490			8,067,490
Securities purchased under resale agreements				18,455,555			18,455,555
Derivative financial instruments	1,618,823						1,618,823
Loans and advances to customers				1,163,160,914			1,163,160,914
Financial investments	8,359,274	-	308,256,082	213,167,048	17,921,170		547,703,574
Total financial assets	9,978,097	-	308,256,082	1,544,383,127	17,921,170	-	1,880,538,476
Other assets						71,265,477	71,265,477
Total assets	9,978,097	-	308,256,082	1,544,383,127	17,921,170	71,265,477	1,951,803,953

	Held for trading	Amortised Cost	Others	Total
Financial liabilities				
Due to banks		2,203,199		2,203,199
Securities sold under repurchase agreements		44,487,462		44,487,462
Derivative financial instruments	70,715			70,715
Other financial liabilities held for trading				-
Due to customers		1,546,832,036		1,546,832,036
Other borrowings		178,191,089		178,191,089
Debt securities issued		-		-
Subordinated term debts		42,570,457		42,570,457
Total financial liabilities	70,715	1,814,284,243	-	1,814,354,958
Other liabilities			26,293,920	26,293,920
Total liabilities	70,715	1,814,284,243	26,293,920	1,840,648,878

As at 30 June	2018						
	Held for trading	Designated at fair value	Held to maturity	Loans and receivables / Amortised cost	Available for sale	Others	Total
Financial assets							
Cash and cash equivalents				69,958,156			69,958,156
Balances with Central Banks				70,207,428			70,207,428
Placements with banks				10,170,384			10,170,384
Securities purchased under resale agreements				2,204,779			2,204,779
Derivative financial instruments	31,858						31,858
Loans and advances to customers				1,240,102,599			1,240,102,599
Financial investments	13,035,865	-	318,090,057	200,398,979	32,278,378		563,803,279
Total financial assets	13,067,723	-	318,090,057	1,593,042,325	32,278,378	-	1,956,478,483
Other assets						79,495,703	79,495,703
Total assets	13,067,723	-	318,090,057	1,593,042,325	32,278,378	79,495,703	2,035,974,186

	Held for trading	Amortised cost	Others	Total
Financial liabilities				
Due to banks		3,176,766		3,176,766
Securities sold under repurchase agreements		61,534,799		61,534,799
Derivative financial instruments	406,403			406,403
Other financial liabilities held for trading				-
Due to customers		1,636,818,157		1,636,818,157
Other borrowings		129,316,702		129,316,702
Debt securities issued		4,008,017		4,008,017
Subordinated term debts		44,185,173		44,185,173
Total financial liabilities	406,403	1,879,039,614	-	1,879,446,017
Other liabilities			29,256,201	29,256,201
Total liabilities	406,403	1,879,039,614	29,256,201	1,908,702,218

As at 31 December	2017						
	Held for trading	Designated at fair value	Held to maturity	Loans and receivables / Amortised cost	Available for sale	Others	Total
Financial assets							
Cash and cash equivalents				78,005,362			78,005,362
Balances with Central Banks				68,689,012			68,689,012
Placements with banks				5,319,602			5,319,602
Securities purchased under resale agreements				19,872,247			19,872,247
Derivative financial instruments	1,618,823						1,618,823
Loans and advances to customers				1,194,294,394			1,194,294,394
Financial investments	8,596,548	-	308,750,317	214,349,624	22,552,292		554,248,781
Total financial assets	10,215,371	-	308,750,317	1,580,530,241	22,552,292	-	1,922,048,222
Other assets						77,361,962	77,361,962
Total assets	10,215,371	-	308,750,317	1,580,530,241	22,552,292	77,361,962	1,999,410,183

	Held for trading	Amortised cost	Others	Total
Financial liabilities				
Due to banks		2,194,266		2,194,266
Securities sold under repurchase agreements		44,628,686		44,628,686
Derivative financial instruments	70,715			70,715
Other financial liabilities held for trading				-
Due to customers		1,566,376,418		1,566,376,418
Other borrowings		184,330,181		184,330,181
Debt securities issued		5,667,514		5,667,514
Subordinated term debts		42,226,067		42,226,067
Total financial liabilities	70,715	1,845,423,132	-	1,845,493,847
Other liabilities			31,589,836	31,589,836
Total liabilities	70,715	1,845,423,132	31,589,836	1,877,083,683

Description	Note	Interest payable frequency	Issue date	Maturity date	Coupon rate		Interest Rate of comparable Government security	Amount	
					30.06.2018	31.12.2017		Bank	
					%	%		30.06.2018	31.12.2017
							Rs '000	Rs '000	
Fixed interest rate									
Unsecured, subordinated, redeemable debentures	a	Annually	25.10.2013	24.10.2018	13.00	13.00	8.64	4,112,327	3,869,827
Unsecured, subordinated, redeemable debentures	a	Semi annually	25.10.2013	24.10.2018	12.60	12.60	8.64	220,297	220,369
Unsecured, subordinated, redeemable debentures	a	Annually	25.10.2013	24.10.2021	13.25	13.25	10.01	1,304,891	1,226,594
Unsecured, subordinated, redeemable debentures	a	Annually	25.10.2013	24.10.2022	13.25	13.25	10.29	1,305,979	1,227,617
Unsecured, subordinated, redeemable debentures	a	Annually	25.10.2013	24.10.2023	13.75	13.75	10.28	1,746,531	1,638,142
Unsecured, subordinated, redeemable debentures	a	Annually	22.09.2014	21.09.2019	8.00	8.00	9.50	5,439,212	5,234,969
Unsecured, subordinated, redeemable debentures	a	Quarterly	22.09.2014	21.09.2019	7.75	7.75	9.50	216,137	216,182
Unsecured, subordinated, redeemable debentures	a	Annually	22.09.2014	21.09.2022	8.25	8.25	10.29	1,949,139	1,873,793
Unsecured, subordinated, redeemable debentures	a	Annually	06.10.2015	05.10.2020	8.25	8.25	9.81	305,813	293,991
Unsecured, subordinated, redeemable debentures	a	Quarterly	06.10.2015	05.10.2020	8.00	8.00	9.81	12,446	12,449
Unsecured, subordinated, redeemable debentures	a	Annually	06.10.2015	05.10.2023	9.50	9.50	10.28	1,261,239	1,205,580
Unsecured, subordinated, redeemable debentures	a	Annually	29.12.2016	28.12.2021	13.25	13.25	10.06	8,513,023	8,003,632
Unsecured, subordinated, redeemable debentures	a	Annually	29.12.2016	28.12.2024	12.75	12.75	10.40	832	784
Unsecured, subordinated, redeemable debentures		Annually	29.12.2017	28.12.2022	12.50	12.50	10.29	5,304,156	5,003,228
Unsecured, subordinated, redeemable debentures		Annually	29.12.2017	28.12.2025	12.75	12.75	10.43	5,310,054	5,003,289
								37,002,076	35,030,446
Floating interest rate									
Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 100 basis points)	a/b	Semi annually	25.10.2013	24.10.2018	9.52	11.13	8.64	203	204
Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 100 basis points)	a/b	Semi annually	25.10.2013	24.10.2021	9.52	11.13	10.01	1,017	1,020
Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 50 basis points)	a/b	Semi annually	22.09.2014	21.09.2019	9.97	10.43	9.50	847,151	848,391
Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 50 basis points)	a/b	Semi annually	22.09.2014	21.09.2022	9.97	10.43	10.29	31	31
Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 125 basis points)	a/b	Semi annually	06.10.2015	05.10.2020	10.72	11.34	9.81	4,587,847	4,595,440
Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 125 basis points)	a/b	Semi annually	06.10.2015	05.10.2023	10.72	11.34	10.28	2,090,423	2,093,885
Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 125 basis points)	a/b	Semi annually	29.12.2016	28.12.2021	10.10	10.47	10.06	1,020	1,020
Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 125 basis points)	a/b	Semi annually	29.12.2016	28.12.2024	10.10	10.47	10.40	20	20
								7,527,711	7,540,011
								44,529,786	42,570,457

Notes

- a) Debentures that are listed in the Colombo Stock Exchange. Some of these have been traded in the Colombo Stock Exchange during the six month period ended 30 June 2018.
2013/2023 - (Highest Price - Rs. 101.50, Lowest Price - Rs. 100.82, Last Transaction Price - Rs. 101.50)
2015/2020 - (Highest Price - Rs. 98.00, Lowest Price - Rs. 94.00, Last Transaction Price - Rs. 97.00)
- b) Weighted average 6 months Treasury Bill interest rate before deducting 10% withholding tax at the primary quotations as announced by the Central Bank of Sri Lanka, at the preceding week of the interest resetting date.

	01-Jan-2018 to 30- Jun-2018 Rs.	01-Jan-2017 to 31- Dec-2017 Rs.
Market Value		
BoC Debentures 2012/2017 , Unsecured, subordinated, redeemable, 5 years, fixed rate (16.0%)		
Highest , Lowest and Last transaction	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 5 years, floating rate (06 months TB rate (Gross) plus 125 basis points)	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 5 years, fixed rate (15.3%)	Not Traded	Not Traded
BoC Debentures 2013/2023 , Unsecured, subordinated, redeemable, 5 years, fixed rate (13.0%)	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 5 years, fixed rate (12.60%)	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 5 years, floating rate (06 months TB rate (Gross) plus 100 basis points)	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 8 years, fixed rate (13.25%)	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 8 years, floating rate (06 months TB rate (Gross) plus 100 basis points)	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 9 years, fixed rate (13.25%)	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 10 years, fixed rate (13.75%)		
Highest	Not Traded	101.50
Lowest	Not Traded	100.82
Last transaction	Not Traded	101.50
BoC Debentures 2014/2022 , Unsecured, subordinated, redeemable, 5 years, fixed rate (8.0%)		
Highest , Lowest and Last transaction	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 5 years, fixed rate (7.75%)	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 5 years, floating rate (06 months TB rate (Gross) plus 50 basis points)	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 8 years, fixed rate (8.25%)	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 8 years, floating rate (06 months TB rate (Gross) plus 50 basis points)	Not Traded	Not Traded
BoC Debentures 2015/2023		
Unsecured, subordinated, redeemable, 5 years, fixed rate (8.25%)	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 5 years, fixed rate (8.00%)	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 5 years, floating rate (06 months TB rate (Gross) plus 125 basis points)		
Highest	97.00	98.00
Lowest	94.00	94.00
Last transaction	97.00	94.00
Unsecured, subordinated, redeemable, 8 years, fixed rate (9.50%)	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 8 years, floating rate (06 months TB rate (Gross) plus 125 basis points)	Not Traded	Not Traded
BoC Debentures 2016/2024		
Unsecured, subordinated, redeemable, 5 years, fixed rate (13.25%)	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 5 years, floating rate (06 months TB rate (Gross) plus 125 basis points)	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 8 years, fixed rate (12.75%)	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 8 years, floating rate (06 months TB rate (Gross) plus 125 basis points)	Not Traded	Not Traded

	30-Jun-2018 %	31-Dec-2017 %
Interest yield as at date of last trade done		
BoC Debentures 2012/2017 ,		
5 years, fixed rate (16.0%)	Not Traded	Not Traded
5 years, floating rate (06 months TB rate (Gross) plus 125 basis points)	Not Traded	Not Traded
5 years, fixed rate (15.3%)	Not Traded	Not Traded
BoC Debentures 2013/2023 ,		
5 years, fixed rate (13.0%)	Not Traded	Not Traded
5 years, fixed rate (12.6%)	Not Traded	Not Traded
5 years, floating rate (06 months TB rate (Gross) plus 100 basis points)	Not Traded	Not Traded
8 years, fixed rate (13.25%)	Not Traded	Not Traded
8 years, floating rate (06 months TB rate (Gross) plus 100 basis points)	Not Traded	Not Traded
9 years, fixed rate (13.25%)	Not Traded	Not Traded
10 years, fixed rate (13.75%)	Not Traded	13.34
BoC Debentures 2014/2022 ,		
5 years, fixed rate (8.0%)	Not Traded	Not Traded
5 years, fixed rate (7.75%)	Not Traded	Not Traded
5 years, floating rate (06 months TB rate (Gross) plus 50 basis points)	Not Traded	Not Traded
8 years, fixed rate (8.25%)	Not Traded	Not Traded
8 years, floating rate (06 months TB rate (Gross) plus 50 basis points)	Not Traded	Not Traded
BoC Debentures 2015/2023 ,		
5 years, fixed rate (8.25%)	Not Traded	Not Traded
5 years, fixed rate (8.00%)	Not Traded	Not Traded
5 years, floating rate (06 months TB rate (Gross) plus 125 basis points)	12.20	13.96
8 years, fixed rate (9.50%)	Not Traded	Not Traded
8 years, floating rate (06 months TB rate (Gross) plus 125 basis points)	Not Traded	Not Traded
BoC Debentures 2016/2024 ,		
5 years, fixed rate (13.25%)	Not Traded	Not Traded
5 years, floating rate (06 months TB rate (Gross) plus 125 basis points)	Not Traded	Not Traded
8 years, fixed rate (12.75%)	Not Traded	Not Traded
8 years, floating rate (06 months TB rate (Gross) plus 125 basis points)	Not Traded	Not Traded
Yield to maturity of last trade done		
BoC Debentures 2012/2017 ,		
5 years, fixed rate (16.0%)	Not Traded	Not Traded
5 years, floating rate (06 months TB rate (Gross) plus 125 basis points)	Not Traded	Not Traded
5 years, fixed rate (15.3%)	Not Traded	Not Traded
BoC Debentures 2013/2023 ,		
5 years, fixed rate (13.0%)	Not Traded	Not Traded
5 years, fixed rate (12.6%)	Not Traded	Not Traded
5 years, floating rate (06 months TB rate (Gross) plus 100 basis points)	Not Traded	Not Traded
8 years, fixed rate (13.25%)	Not Traded	Not Traded
8 years, floating rate (06 months TB rate (Gross) plus 100 basis points)	Not Traded	Not Traded
9 years, fixed rate (13.25%)	Not Traded	Not Traded
10 years, fixed rate (13.75%)	Not Traded	13.55
BoC Debentures 2014/2022 ,		
5 years, fixed rate (8.0%)	Not Traded	Not Traded
5 years, fixed rate (7.75%)	Not Traded	Not Traded
5 years, floating rate (06 months TB rate (Gross) plus 50 basis points)	Not Traded	Not Traded
8 years, fixed rate (8.25%)	Not Traded	Not Traded
8 years, floating rate (06 months TB rate (Gross) plus 50 basis points)	Not Traded	Not Traded
BoC Debentures 2015/2023 ,		
5 years, fixed rate (8.25%)	Not Traded	Not Traded
5 years, fixed rate (8.00%)	Not Traded	Not Traded
5 years, floating rate (06 months TB rate (Gross) plus 125 basis points)	11.05	12.06
8 years, fixed rate (9.50%)	Not Traded	Not Traded
8 years, floating rate (06 months TB rate (Gross) plus 125 basis points)	Not Traded	Not Traded
BoC Debentures 2016/2024 ,		
5 years, fixed rate (13.25%)	Not Traded	Not Traded
5 years, floating rate (06 months TB rate (Gross) plus 125 basis points)	Not Traded	Not Traded
8 years, fixed rate (12.75%)	Not Traded	Not Traded
8 years, floating rate (06 months TB rate (Gross) plus 125 basis points)	Not Traded	Not Traded

LOANS AND ADVANCES TO OTHER CUSTOMERS

Rs '000

As at	Bank		Group	
	30-Jun-2018	31-Dec-2017 (Audited)	30-Jun-2018	31-Dec-2017 (Audited)
1) Loans and advances to customers				
Gross loans and advances	1,272,523,114	1,219,914,481	1,305,613,174	1,252,363,355
Less : Individual impairment	31,718,126	29,085,605	32,415,211	29,562,683
Collective impairment	32,081,024	27,667,962	33,095,364	28,506,278
Net loans and advances including those designated at fair value through profit or loss	1,208,723,964	1,163,160,914	1,240,102,599	1,194,294,394
Less : Loans and advances designated at fair value through profit or loss	-	-	-	-
Net loans and advances	1,208,723,964	1,163,160,914	1,240,102,599	1,194,294,394

2) Loans and advances to customers - By product

Local currency				
Overdrafts	164,321,545	169,123,476	164,244,917	169,120,155
Term loans	261,543,034	258,559,100	265,758,315	264,188,350
Lease rentals receivable	49,179,575	48,199,691	65,930,991	64,287,980
Credit cards	4,027,087	3,840,479	4,027,087	3,840,479
Pawning	53,644,521	51,540,743	54,499,284	52,240,377
Loans under schemes	94,545,610	89,621,904	95,220,541	90,662,792
Housing loans	60,914,610	56,520,480	60,914,610	56,520,480
Trade finance	47,213,910	46,910,127	47,895,693	47,538,632
Personal loans	180,661,639	175,226,804	187,628,896	180,549,642
Staff loans	16,261,218	16,010,801	16,439,861	16,273,604
Foreclosed properties	1,081,610	1,097,220	1,081,610	1,097,220
Other loans	11,472,563	10,270,950	11,472,563	10,270,950
Total local currency loans and advances	944,866,922	926,921,775	975,114,368	956,590,661
Foreign currency				
Overdrafts	20,766,617	11,801,933	20,992,325	11,989,037
Term loans	275,119,729	246,534,672	277,728,901	249,119,988
Trade finance	29,082,748	31,728,812	29,082,748	31,728,812
Lease rentals receivable	215,425	236,682	215,425	236,682
Loans under schemes	52,073	48,022	52,073	48,022
Housing loans	189,145	170,674	189,145	170,674
Staff loans	12,596	9,865	20,330	17,433
Foreclosed properties	541,996	523,495	541,996	523,495
Other loans	1,675,863	1,938,551	1,675,863	1,938,551
Total foreign currency loans and advances	327,656,192	292,992,706	330,498,806	295,772,694
Total gross loans and advances to customers	1,272,523,114	1,219,914,481	1,305,613,174	1,252,363,355

3) Movement in individual and collective impairment during the period for loans and advances to customers

Individual impairment				
Opening balance (01 January)	29,085,605	19,375,172	29,562,683	19,776,777
Charge during the period	3,655,712	11,713,536	3,729,292	11,758,365
Amount recovered / reversed during the period	(1,023,191)	(2,081,790)	(1,023,191)	(2,081,790)
Exchange rate variance on foreign currency impairment	131,630	143,324	131,630	143,324
Amount written-off during the period	-	(26,944)	-	(37,546)
Other movements	(131,630)	(37,693)	14,797	3,553
Closing balance	31,718,126	29,085,605	32,415,211	29,562,683
Collective impairment				
Opening balance (01 January)	27,667,962	27,731,944	28,506,278	28,407,266
Charge / (Reversal) during the period	4,409,955	8,912	4,737,245	208,314
Exchange rate variance on foreign currency impairment	15,590	15,815	15,590	15,815
Amount written-off during the period	3,569	(1,153,687)	3,569	(1,153,687)
Other movements	(16,052)	1,064,978	(167,318)	1,028,570
Closing balance	32,081,024	27,667,962	33,095,364	28,506,278
Total impairment	63,799,150	56,753,567	65,510,574	58,068,961

DUE TO OTHER CUSTOMERS

4) Due to other customers - By product

Local currency				
Demand deposits (current accounts)	97,920,602	113,404,221	97,861,301	113,047,717
Savings deposits	358,894,260	352,068,521	359,785,144	352,930,501
Time deposits	821,179,677	739,173,691	838,751,772	757,243,699
Other deposits	2,635,698	2,828,892	2,635,698	2,828,892
Total local currency deposits	1,280,630,237	1,207,475,325	1,299,033,915	1,226,050,809
Foreign currency				
Demand deposits (current accounts)	21,781,138	22,344,522	22,338,523	22,893,509
Savings deposits	87,541,194	88,397,442	87,919,882	88,725,067
Time deposits	225,971,793	227,389,171	226,072,537	227,481,457
Other deposits	1,453,300	1,225,576	1,453,300	1,225,576
Total foreign currency deposits	336,747,425	339,356,711	337,784,242	340,325,609
Total due to customers	1,617,377,662	1,546,832,036	1,636,818,157	1,566,376,418

SEGMENTAL ANALYSIS - GROUP

Rs. '000

For the six months ended 30th June	Retail banking		Corporate banking		International, treasury and investment		Group functions		Unallocated		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Revenue from external customers:												
Net interest income	16,815,105	15,862,533	5,609,733	5,668,851	9,466,489	8,851,779	1,532,950	1,452,159	(2,407,328)	(1,998,430)	31,016,949	29,836,892
Net fee and commission income	1,819,538	1,624,425	1,187,342	1,174,178	441,640	436,047	211,485	118,622	289,820	284,116	3,949,825	3,637,388
Other income	1,615,406	1,660,805	125,476	70,803	1,682,509	2,180,363	1,497,607	986,608	478,253	250,876	5,399,251	5,149,455
Total operating income	20,250,049	19,147,763	6,922,551	6,913,832	11,590,638	11,468,189	3,242,042	2,557,389	(1,639,255)	(1,463,438)	40,366,025	38,623,735
Expenses :												
Impairment (charge)/ reversal for loans and other losses	(3,464,312)	(2,622,836)	(3,559,738)	(3,576,906)	-	-	(421,987)	(15,959)	2,691	(8,523)	(7,443,346)	(6,224,224)
Total operating expenses	(10,644,169)	(8,662,074)	(2,150,699)	(1,931,618)	(2,782,432)	(1,958,866)	(2,506,058)	(1,804,962)	148,271	126,240	(17,935,087)	(14,231,280)
Total expenses	(14,108,481)	(11,284,910)	(5,710,437)	(5,508,524)	(2,782,432)	(1,958,866)	(2,928,045)	(1,820,921)	150,962	117,717	(25,378,433)	(20,455,504)
Operating profit before VAT and NBT on financial services	6,141,568	7,862,853	1,212,114	1,405,308	8,808,206	9,509,323	313,997	736,468	(1,488,293)	(1,345,721)	14,987,592	18,168,231
VAT and NBT on financial services											(3,429,758)	(3,595,438)
Operating profit after VAT and NBT on financial services											11,557,834	14,572,793
Share of profit/ (loss) of associate companies, net of tax							17,388	30,929			17,388	30,929
Profit /(loss) before income tax	6,141,568	7,862,853	1,212,114	1,405,308	8,808,206	9,509,323	331,385	767,397	(1,488,293)	(1,345,721)	11,575,222	14,603,722
Income tax expense											(4,159,063)	(4,145,401)
Profit for the period											7,416,159	10,458,321
Total assets	666,627,487	582,573,637	610,322,268	599,885,805	612,717,015	530,472,550	57,436,112	64,240,495	88,871,304	77,792,694	2,035,974,186	1,854,965,181
Total liabilities	627,507,003	549,651,514	574,506,009	565,985,345	576,760,222	500,494,739	45,826,142	52,488,330	84,102,841	73,243,234	1,908,702,218	1,741,863,162
Cash flows from operating activities	272,048	19,706,280	249,071	20,291,886	250,048	17,943,896	23,439	2,173,015	36,268	2,631,435	830,874	62,746,512
Cash flows from/ (used in) investing activities	5,162,194	(2,853,949)	4,726,180	(2,938,758)	4,744,725	(2,598,712)	444,771	(314,705)	688,197	(381,096)	15,766,067	(9,087,220)
Cash flows from/ (used in) financing activities	(8,220,715)	(16,864,537)	(7,526,372)	(17,365,696)	(7,555,903)	(15,356,298)	(600,350)	(1,610,459)	(1,101,798)	(2,247,266)	(25,005,138)	(53,444,256)
Capital expenditure to non-current assets											2,217,066	2,102,741
Depreciation and amortization expenses	358,656	300,575	328,363	309,508	329,651	273,694	129,313	130,715	224,030	219,153	1,370,013	1,233,645

During the period from 01.01.2015 to 30.06.2018

Year	Objective number	Objective as per Prospectus	Amount allocated as per Prospectus in LKR	Proposed date of utilization as per Prospectus	Amount allocated from proceeds in LKR (A)	% of total proceeds	Amounts utilized in LKR (B)	% of utilization against allocation (B/A)	Clarification if not fully utilized including where the funds are invested (eg : whether lent to related party/s etc...)
2015	1	To increase the Tier II capital of the Bank in order to enhance the Capital Adequacy Ratio (CAR) and single borrower limit to facilitate expansion of the loan book.	8 Billion	06.10.2015	8 Billion	100	8 Billion	100	Not Applicable
	2	To minimize and manage the gap exposure in the Bank's assets/ liability portfolios.							
	3	To strengthen the Bank's liquidity position and to increase the asset base.							
2016	1	To increase the Tier II capital of the Bank in order to enhance the Capital Adequacy Ratio (CAR) and single borrower limit.	8 Billion	29.12.2016	8 Billion	100	8 Billion	100	Not Applicable
	2	To minimize and manage the gap exposure in the Bank's assets/ liability portfolios.							
	3	To strengthen the Bank's liquidity position and to increase the asset base / loan book.							