



INTERIM FINANCIAL STATEMENTS
for the year ended 31 December 2017
(Audited)

Bank of Ceylon

STATEMENT OF PROFIT OR LOSS

1
Rs. 000

31 December	Bank						Group					
	For the year ended			For the quarter ended			For the year ended			For the quarter ended		
	2017	2016	Change %	2017	2016	Change %	2017	2016	Change %	2017	2016	Change %
Total income	189,211,395	154,121,372	22.8	50,879,506	43,263,016	17.6	197,012,961	159,701,225	23.4	52,638,968	44,041,603	19.5
Interest income	171,343,888	134,685,338	27.2	46,091,963	36,049,516	27.9	177,746,357	139,701,569	27.2	47,733,300	37,457,427	27.4
Interest expenses	(112,987,696)	(80,727,850)	40.0	(30,843,340)	(20,468,397)	50.7	(116,256,255)	(83,095,077)	39.9	(31,641,222)	(21,118,880)	49.8
Net interest income	58,356,192	53,957,488	8.2	15,248,623	15,581,119	(2.1)	61,490,102	56,606,492	8.6	16,092,078	16,338,547	(1.5)
Fee and commission income	9,178,655	8,739,625	5.0	2,691,248	2,476,677	8.7	9,436,780	8,983,083	5.1	2,714,361	2,527,822	7.4
Fee and commission expenses	(1,883,302)	(1,520,190)	23.9	(617,427)	(549,251)	12.4	(1,972,374)	(1,607,271)	22.7	(621,784)	(549,217)	13.2
Net fee and commission income	7,295,353	7,219,435	1.1	2,073,821	1,927,426	7.6	7,464,406	7,375,812	1.2	2,092,577	1,978,605	5.8
Net gains / (losses) from trading	2,802,048	2,061,616	35.9	553,283	(855,261)	(164.7)	2,822,168	2,037,390	38.5	548,355	(869,500)	(163.1)
Net gains / (losses) from financial instruments designated at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	-	-
Net gains / (losses) from financial investments	905,527	273,881	230.6	219,425	39,092	461.3	925,733	312,273	196.4	220,435	58,288	278.2
Other operating income	4,981,277	8,360,912	(40.4)	1,323,587	5,552,992	(76.2)	6,081,923	8,666,910	(29.8)	1,422,517	4,867,566	(70.8)
	8,688,852	10,696,409	(18.8)	2,096,295	4,736,823	(55.7)	9,829,824	11,016,573	(10.8)	2,191,307	4,056,354	(46.0)
Total operating income	74,340,397	71,873,332	3.4	19,418,739	22,245,368	(12.7)	78,784,332	74,998,877	5.0	20,375,962	22,373,506	(8.9)
Impairment (charge) / reversal for loans and other losses	(9,340,658)	(4,396,761)	112.4	88,168	(3,738,010)	(102.4)	(9,884,889)	(4,421,000)	123.6	(257,781)	(3,764,057)	(93.2)
Individual impairment	(9,631,746)	(6,685,680)	44.1	(4,649,534)	(5,293,258)	(12.2)	(9,676,575)	(6,765,378)	43.0	(4,657,721)	(5,375,972)	(13.4)
Collective impairment	(8,912)	2,288,919	(100.4)	4,437,702	1,555,248	185.3	(208,314)	2,344,378	(108.9)	4,399,940	1,611,915	173.0
Other losses	300,000	-	-	300,000	-	-	-	-	-	-	-	-
Net operating income	64,999,739	67,476,571	(3.7)	19,506,907	18,507,358	5.4	68,899,443	70,577,877	(2.4)	20,118,181	18,609,449	8.1
Operating expenses												
Personnel expenses	(16,996,176)	(16,844,431)	0.9	(3,948,620)	(4,135,925)	(4.5)	(18,723,550)	(18,409,329)	1.7	(4,321,852)	(4,581,421)	(5.7)
Depreciation and amortisation	(1,925,002)	(1,453,196)	32.5	(691,799)	(259,805)	166.3	(2,542,480)	(1,999,904)	27.1	(849,829)	(400,911)	112.0
Other expenses	(8,486,795)	(11,725,310)	(27.6)	(2,218,961)	(2,215,802)	0.1	(9,438,372)	(13,737,885)	(31.3)	(2,255,086)	(3,014,201)	(25.2)
Total operating expenses	(27,407,973)	(30,022,937)	(8.7)	(6,859,380)	(6,611,532)	3.7	(30,704,402)	(34,147,118)	(10.1)	(7,426,767)	(7,996,533)	(7.1)
Operating profit before Value Added Tax (VAT) and Nation Building Tax (NBT) on financial services	37,591,766	37,453,634	0.4	12,647,527	11,895,826	6.3	38,195,041	36,430,759	4.8	12,691,414	10,612,916	19.6
Value Added Tax (VAT) and Nation Building Tax (NBT) on financial services	(7,248,786)	(6,264,949)	15.7	(2,315,650)	(2,091,027)	10.7	(7,431,502)	(6,376,679)	16.5	(2,368,057)	(2,121,386)	11.6
Operating profit after Value Added Tax (VAT) and Nation Building Tax (NBT) on financial services	30,342,980	31,188,685	(2.7)	10,331,877	9,804,799	5.4	30,763,539	30,054,080	2.4	10,323,357	8,491,530	21.6
Share of profits / (losses) of Associate companies, net of tax	-	-	-	-	-	-	52,024	62,952	(17.4)	14,002	(15,851)	(188.3)
Profit before income tax	30,342,980	31,188,685	(2.7)	10,331,877	9,804,799	5.4	30,815,563	30,117,032	2.3	10,337,359	8,475,679	22.0
Income tax expense	(9,030,696)	(6,397,689)	41.2	(3,394,892)	(876,350)	287.4	(9,328,918)	(6,731,105)	38.6	(3,543,699)	(1,069,957)	231.2
Profit for the year	21,312,284	24,790,996	(14.0)	6,936,985	8,928,449	(22.3)	21,486,645	23,385,927	(8.1)	6,793,660	7,405,722	(8.3)
Profit attributable to:												
Equity holder of the Bank	21,312,284	24,790,996	(14.0)	6,936,985	8,928,449	(22.3)	21,470,163	23,496,656	(8.6)	6,785,521	7,502,774	(9.6)
Non controlling interest	-	-	-	-	-	-	16,482	(110,729)	114.9	8,139	(97,052)	108.4
Profit for the year	21,312,284	24,790,996	(14.0)	6,936,985	8,928,449	(22.3)	21,486,645	23,385,927	(8.1)	6,793,660	7,405,722	(8.3)
Earnings per share:												
Basic earnings per share (Rs.)	1,856.56	2,479.10	(25.1)	604.30	892.84	(32.3)	1,870.31	2,349.67	(20.4)	591.10	750.28	(21.2)
Diluted earnings per share (Rs.)	1,414.36	2,439.01	(42.0)	460.36	878.41	(47.6)	1,424.84	2,311.67	(38.4)	450.31	728.60	(38.2)

STATEMENT OF COMPREHENSIVE INCOME

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Rs. 000

31 December	Bank						Group					
	For the year ended			For the quarter ended			For the year ended			For the quarter ended		
	2017	2016	Change %	2017	2016	Change %	2017	2016	Change %	2017	2016	Change %
Profit for the year	21,312,284	24,790,996	(14.0)	6,936,985	8,928,449	(22.3)	21,486,645	23,385,927	(8.1)	6,793,660	7,405,722	(8.3)
Other comprehensive income for the year , net of tax												
Items that will not be reclassified to profit or loss												
Changes in revaluation surplus / (deficit)	6,059,715	1,394,640	334.5	6,059,715	1,394,640	334.5	6,406,248	2,307,452	177.6	6,406,248	2,307,452	177.6
Deferred tax effect on above	(4,094,358)	-	-	(4,094,358)	-	-	(4,191,387)	(255,587)	1,539.9	(4,191,387)	(255,587)	1,539.9
Actuarial gains / (losses) on defined benefit plans	2,789,929	(1,621,904)	272.0	2,789,929	(1,621,904)	272.0	2,766,683	(1,580,561)	275.0	2,768,964	(1,579,745)	275.3
Deferred tax effect on above	(8,400)	32,038	(126.2)	(8,400)	32,038	(126.2)	8,363	30,061	(72.2)	8,363	30,061	(72.2)
	4,746,886	(195,226)	2,531.5	4,746,886	(195,226)	2,531.5	4,989,907	501,365	895.3	4,992,188	502,181	894.1
Items that are or may be reclassified to profit or loss												
Net exchange gains / (losses) arising from translating the financial statements of foreign operations	361,375	165,793	118.0	65,713	77,895	(15.6)	643,365	(228,067)	382.1	69,040	5,971	1,056.3
Gains / (Losses) on remeasuring available for sale financial investments	(595,034)	(1,025,760)	(42.0)	(126,265)	(491,786)	(74.3)	(619,591)	(957,182)	(35.3)	(124,607)	(631,123)	(80.3)
Deferred tax effect on above	(177,006)	(8,893)	1,890.4	(125,943)	(395)	31,784.3	(177,006)	(8,893)	1,890.4	(125,943)	(395)	31,784.3
Realised (gains) / losses on available for sale financial investments transferred to profit or loss	3,385	(15,525)	121.8	(274)	-	-	3,385	(15,525)	121.8	(274)	-	-
Share of other comprehensive income of Associate companies, net of tax	-	-	-	-	-	-	(6,600)	2,174	(403.6)	(2,320)	2,355	(198.5)
	(407,280)	(884,385)	(53.9)	(186,769)	(414,286)	(54.9)	(156,447)	(1,207,493)	(87.0)	(184,104)	(623,192)	(70.5)
Other comprehensive income for the year, net of tax	4,339,606	(1,079,611)	502.0	4,560,117	(609,512)	848.2	4,833,460	(706,128)	784.5	4,808,084	(121,011)	4,073.3
Total comprehensive income for the year	25,651,890	23,711,385	8.2	11,497,102	8,318,937	38.2	26,320,105	22,679,799	16.1	11,601,744	7,284,711	59.3
Attributable to:												
Equity holder of the Bank	25,651,890	23,711,385	8.2	11,497,102	8,318,937	38.2	26,270,244	22,758,128	15.4	11,562,415	7,356,546	57.2
Non controlling interest	-	-	-	-	-	-	49,861	(78,329)	163.7	39,329	(71,835)	154.7
Total comprehensive income for the year	25,651,890	23,711,385	8.2	11,497,102	8,318,937	38.2	26,320,105	22,679,799	16.1	11,601,744	7,284,711	59.3

As at 31 December	Bank			Group		
	2017	2016	Change %	2017	2016	Change %
Assets						
Cash and cash equivalents	72,843,108	67,705,791	7.6	78,005,362	73,244,043	6.5
Balances with Central Banks	68,689,012	56,387,741	21.8	68,689,012	56,387,741	21.8
Placements with banks	8,067,490	11,674,664	(30.9)	5,319,602	12,931,605	(58.9)
Securities purchased under resale agreements	18,455,555	1,901,618	870.5	19,872,247	2,350,704	745.4
Derivative financial instruments	1,618,823	5,300,844	(69.5)	1,618,823	5,300,844	(69.5)
Financial instruments - Held for trading	8,359,274	8,474,041	(1.4)	8,596,548	8,804,647	(2.4)
Financial investments - Loans and receivables	213,167,048	191,874,638	11.1	214,349,624	191,984,082	11.6
Loans and advances to customers	1,163,160,914	1,000,082,574	16.3	1,194,294,394	1,027,768,110	16.2
Financial investments - Available for sale	17,921,170	10,463,046	71.3	22,552,292	16,263,641	38.7
Financial investments - Held to maturity	308,256,082	243,178,400	26.8	308,750,317	243,253,967	26.9
Investment in Subsidiary companies	6,513,048	6,213,048	4.8	-	-	-
Investment in Associate companies	92,988	92,988	-	446,793	420,669	6.2
Investment properties	2,882,928	3,000,000	(3.9)	123,773	127,670	(3.1)
Property, plant and equipment	23,046,114	15,482,163	48.9	36,608,919	29,200,036	25.4
Leasehold properties	101,481	101,839	(0.4)	134,441	136,155	(1.3)
Intangible assets	810,730	563,490	43.9	1,074,436	655,630	63.9
Deferred tax assets	-	-	-	8,621	5,456	58.0
Other assets	37,818,188	46,794,389	(19.2)	38,964,979	47,721,701	(18.3)
Total assets	1,951,803,953	1,669,291,274	16.9	1,999,410,183	1,716,556,701	16.5
Liabilities						
Due to banks	2,203,199	2,042,322	7.9	2,194,266	2,053,945	6.8
Securities sold under repurchase agreements	44,487,462	59,424,629	(25.1)	44,628,686	58,925,801	(24.3)
Derivative financial instruments	70,715	171,663	(58.8)	70,715	171,663	(58.8)
Due to customers	1,546,832,036	1,256,589,490	23.1	1,566,376,418	1,273,631,287	23.0
Other borrowings	178,191,089	195,469,853	(8.8)	184,330,181	204,485,301	(9.9)
Debt securities issued	-	3,427,058	(100.0)	5,667,514	8,360,333	(32.2)
Current tax liabilities	1,877,342	-	-	2,051,020	253,020	710.6
Deferred tax liabilities	5,820,329	1,439,285	304.4	8,625,219	4,078,734	111.5
Insurance provision - Life	-	-	-	547,026	514,675	6.3
Insurance provision - Non life	-	-	-	430,093	775,375	(44.5)
Other liabilities	18,596,249	19,231,833	(3.3)	19,936,478	21,656,513	(7.9)
Subordinated term debts	42,570,457	38,645,546	10.2	42,226,067	38,295,318	10.3
Total liabilities	1,840,648,878	1,576,441,679	16.8	1,877,083,683	1,613,201,965	16.4
Equity						
Share capital	20,000,000	15,000,000	33.3	20,000,000	15,000,000	33.3
Permanent reserve fund	10,427,000	7,996,000	30.4	10,427,000	7,996,000	30.4
Retained earnings	63,472,250	54,154,685	17.2	65,100,871	55,659,003	17.0
Other reserves	17,255,825	15,698,910	9.9	25,871,254	23,820,288	8.6
Total equity attributable to equity holder of the Bank	111,155,075	92,849,595	19.7	121,399,125	102,475,291	18.5
Non controlling interest	-	-	-	927,375	879,445	5.4
Total equity	111,155,075	92,849,595	19.7	122,326,500	103,354,736	18.4
Total liabilities and equity	1,951,803,953	1,669,291,274	16.9	1,999,410,183	1,716,556,701	16.5
Contingent liabilities and commitments	507,258,821	547,398,625	(7.3)	508,399,376	548,333,620	(7.3)

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 2016	10,000,000	-	5,209,955	5,537,359	1,043,642	8,607,654	51,086,010	81,484,620
Total comprehensive income for the year								
Profit for the year							24,790,996	24,790,996
Other comprehensive income, net of tax				(1,050,178)	165,793	1,394,640	(1,589,866)	(1,079,611)
Dividends for 2016							(17,346,410)	(17,346,410)
Capital infusion during the year	-	5,000,000						5,000,000
Transfers to permanent reserve fund			2,786,045				(2,786,045)	-
Balance as at 31 December 2016	10,000,000	5,000,000	7,996,000	4,487,181	1,209,435	10,002,294	54,154,685	92,849,595
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 year								
Profit for the year							21,312,284	21,312,284
Other comprehensive income, net of tax				(768,655)	361,375	1,965,357	2,781,529	4,339,606
Dividends for 2017							(12,346,410)	(12,346,410)
Transfers to share capital	5,000,000	(5,000,000)						-
Capital infusion during the year		5,000,000						5,000,000
Revaluation surplus of disposed property						(1,162)	1,162	-
Transfers to permanent reserve fund			2,431,000				(2,431,000)	-
Balance as at 31 December 2017	15,000,000	5,000,000	10,427,000	3,718,526	1,570,810	11,966,489	63,472,250	111,155,075

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 2016	10,000,000	-	5,209,955	6,539,515	1,956,800	14,469,008	53,888,295	1,010,640	93,074,213
Total comprehensive income for the year									
Profit for the year							23,496,656	(110,729)	23,385,927
Other comprehensive income, net of tax				(977,249)	(228,067)	2,025,051	(1,558,263)	32,400	(706,128)
Dividends for 2016							(17,346,410)		(17,346,410)
Subsidiary dividends to non controlling interest								(52,866)	(52,866)
Capital infusion during the year		5,000,000							5,000,000
Transfers to permanent reserve fund			2,786,045				(2,786,045)		-
Transfers to other reserves					35,230		(35,230)		-
Balance as at 31 December 2016	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
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 year									
Profit for the year							21,470,163	16,482	21,486,645
Other comprehensive income, net of tax				(801,650)	643,365	2,188,368	2,769,998	33,379	4,833,460
Dividends for 2017							(12,346,410)		(12,346,410)
Subsidiary dividends to non controlling interest								(1,931)	(1,931)
Transfers to share capital	5,000,000	(5,000,000)							-
Capital infusion during the year		5,000,000							5,000,000
Revaluation surplus of disposed property						(1,162)	1,162		-
Transfers to permanent reserve fund			2,431,000				(2,431,000)		-
Transfers to other reserves					22,045		(22,045)		-
Balance as at 31 December 2017	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

STATEMENT OF CASH FLOWS

5

Rs.'000

For the year ended 31 December	Bank		Group	
	2017	2016	2017	2016
Cash flows from operating activities				
Profit before income tax	30,342,980	31,188,685	30,815,563	30,117,032
Adjustments for :				
Net interest income	(58,356,192)	(53,957,488)	(61,490,102)	(56,606,492)
Dividend income on trading securities	(111,782)	(113,674)	(120,214)	(126,801)
Dividends from Subsidiaries and Associates	(76,680)	(1,102,158)	-	-
Share of (profits) / losses of Associate companies, net of tax		-	(52,024)	(62,952)
Change in operating assets	(176,623,016)	(160,667,438)	(177,474,266)	(163,958,901)
Change in operating liabilities	304,162,970	131,411,796	306,329,345	134,895,340
Other non cash items included in profit before tax	10,872,287	3,832,099	12,102,838	4,890,843
Other net gains from investing activities	(905,527)	(273,881)	(925,733)	(312,273)
	109,305,040	(49,682,059)	109,185,407	(51,164,204)
Contribution paid from defined benefit plans	(6,976,625)	(6,427,894)	(6,994,516)	(6,469,307)
Interest received	120,744,703	95,086,587	126,994,502	99,900,577
Interest paid	(85,565,050)	(54,415,320)	(88,311,449)	(56,022,201)
Dividends received	111,782	113,674	120,214	126,801
Net cash from operating activities before income tax	137,619,850	(15,325,012)	140,994,158	(13,628,334)
Income tax paid	(2,580,454)	(6,020,924)	(2,683,837)	(6,248,626)
Net cash from/(used in) operating activities	135,039,396	(21,345,936)	138,310,321	(19,876,960)
Cash flows from investing activities				
Net (increase)/ decrease in financial investments - Held to maturity	(65,055,871)	3,105,015	(65,474,538)	3,090,334
Net (increase)/ decrease in financial investments - Available for sale	(7,716,838)	624,947	(6,571,920)	(861,988)
Net (increase) /decrease in financial investments - Loans and receivables	(21,292,409)	40,686,630	(22,365,555)	41,019,663
Proceeds from sale of an Associate Company	-	3,880,000	-	3,880,000
Purchase of property plant and equipment and leasehold properties	(3,080,752)	(2,052,805)	(3,199,778)	(2,207,275)
Purchase of intangible assets	(528,565)	(376,643)	(760,014)	(390,549)
Proceeds from sale of property plant and equipment	62,457	18,961	69,101	63,951
Dividends received	649,270	1,268,331	592,796	204,565
Interest received	40,578,598	36,487,727	41,088,070	36,809,586
Net cash from/(used in) investing activities	(56,384,110)	83,642,163	(56,621,838)	81,608,287
Cash flows from financing activities				
Net decrease in other borrowings	(49,653,199)	(42,090,586)	(52,901,368)	(38,650,060)
Proceeds from issue of shares	5,000,000	5,000,000	5,000,000	5,000,000
Proceeds from issue of debentures	10,000,000	8,000,000	12,000,000	7,990,000
Payments on redemption of debentures	(9,501,723)	(5,032,015)	(10,867,381)	(5,368,253)
Dividends paid to Government of Sri Lanka	(12,346,410)	(18,346,410)	(12,346,410)	(18,346,410)
Dividends paid to non controlling interest		-	(1,931)	(52,866)
Interest payments on borrowings and debt securities	(17,320,884)	(21,458,109)	(18,093,765)	(22,211,745)
Net cash used in financing activities	(73,822,216)	(73,927,120)	(77,210,855)	(71,639,334)
Net increase/(decrease) in cash and cash equivalents during the year	4,833,070	(11,630,893)	4,477,628	(9,908,007)
Cash and cash equivalents at the beginning of the year	66,898,438	78,529,331	72,425,067	82,333,074
Cash and cash equivalents at the end of the year	71,731,508	66,898,438	76,902,695	72,425,067
Analysis of cash and cash equivalents				
Cash and cash equivalents	72,843,108	67,705,791	78,005,362	73,244,043
Bank overdrafts	(1,111,600)	(807,353)	(1,102,667)	(818,976)
Cash and cash equivalents at the end of the year	71,731,508	66,898,438	76,902,695	72,425,067

SELECTED PERFORMANCE INDICATORS
6

As at 31 December	Bank		Group	
	2017	2016	2017	2016
Net assets value per share (Rs)	7,410.34	9,284.96	8,093.28	10,247.53
Profitability				
Interest margin	3.22%	3.33%	3.31%	3.40%
Return on assets (before tax)	1.68%	1.93%	1.66%	1.81%
Return on equity (after tax)	20.89%	28.44%	19.04%	23.81%
Assets Quality				
Gross non - performing advances ratio, (Net of interest in suspense)	2.85%	2.88%		
Net non - performing advances ratio, (Net of interest in suspense and provisions)	0.34%	0.41%		
Investor Information				
Debt equity (%)	41.48	124.45		
Interest cover (times)	2.47	2.29		
Memorandum Information				
Number of employees	7,587	7,569		
Number of branches	580	580		

KEY REGULATORY RATIOS - CAPITAL AND LIQUIDITY

As at 31 December	Bank		Group	
	2017	2016 *	2017	2016 *
Regulatory Capital (Rs. ' 000)				
Common equity Tier I	92,596,974	N/A	99,289,566	N/A
Tier I capital	92,596,974	74,127,765	99,289,566	79,147,830
Total capital	125,460,069	104,857,684	132,382,713	112,057,119
Regulatory Capital Ratios (%)				
Common equity Tier I capital ratio (Minimum requirement, Basel III - 6.25%)	10.77%	N/A	10.87%	N/A
Tier I capital ratio (Minimum requirement, Basel II - 5% , Basel III - 7.75%)	10.77%	8.72%	10.87%	8.81%
Total capital ratio (Minimum requirement, Basel II - 10%, Basel III - 11.75%)	14.59%	12.34%	14.49%	12.47%
Regulatory Liquidity				
Statutory liquid assets,				
- Domestic banking unit (Rs. ' 000)	477,892,172	307,549,721		
- Off-shore banking unit (US\$ 000)	878,439	997,347		
Statutory liquid assets ratio, (minimum requirement, 20%)				
- Domestic banking unit	27.22%	21.62%		
- Off-shore banking unit	21.91%	28.08%		
Liquidity coverage ratio - Rupee (Minimum requirement, 80%)	141.46%	174.10%		
Liquidity coverage ratio - All currency (Minimum requirement, 80%)	105.04%	101.99%		

N/A - Not Applicable

* As per Basel II Guidelines issued by Central Bank of Sri Lanka

SHARE INFORMATION

Share holder	31-Dec-2017		31-Dec-2016	
	No of Ordinary Shares	Holding %	No of Ordinary Shares	Holding %
Government of Sri Lanka	20,000,000 *	100	15,000,000 *	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 2016. 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 2016.
3. 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.
4. During the period there were no material changes in the composition of assets, liabilities and contingent liabilities.
5. All known expenses have been charged in these financial statements.
6. 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 31 December 2017 and its profit for the year ended 31 December 2017.

Sgd.
W P Russel Fonseka
Chief Financial Officer

We, the undersigned, being the Chairman, Director 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 audited financial statements of the Bank and the Group.

Sgd.
Ronald C Perera
Chairman
(Independent Non-Executive)

Sgd.
Ranel T Wijesinha
Director
(Independent Non-Executive)

Sgd.
Senarath Bandara
General Manager

27 March 2018

Colombo

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 31 December	2016						
	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				67,705,791			67,705,791
Balances with Central Banks				56,387,741			56,387,741
Placements with banks				11,674,664			11,674,664
Securities purchased under resale agreements				1,901,618			1,901,618
Derivative financial instruments	5,300,844						5,300,844
Loans and advances to customers				1,000,082,574			1,000,082,574
Financial investments	8,474,041	-	243,178,400	191,874,638	10,463,046		453,990,125
Total financial assets	13,774,885	-	243,178,400	1,329,627,026	10,463,046	-	1,597,043,357
Other assets						72,247,917	72,247,917
Total assets	13,774,885	-	243,178,400	1,329,627,026	10,463,046	72,247,917	1,669,291,274

	Held for trading	Amortised Cost	Others	Total
Financial liabilities				
Due to banks		2,042,322		2,042,322
Securities sold under repurchase agreements		59,424,629		59,424,629
Derivative financial instruments	171,663			171,663
Other financial liabilities held for trading				-
Due to customers		1,256,589,490		1,256,589,490
Other borrowings		195,469,853		195,469,853
Debt securities issued		3,427,058		3,427,058
Subordinated term debts		38,645,546		38,645,546
Total financial liabilities	171,663	1,555,598,898	-	1,555,770,561
Other liabilities			20,671,118	20,671,118
Total liabilities	171,663	1,555,598,898	20,671,118	1,576,441,679

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	-	1,922,048,221
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			31,589,835	31,589,835
Total liabilities	70,715	1,845,423,132	31,589,835	1,877,083,683

As at 31 December		2016					
	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				73,244,043			73,244,043
Balances with Central Banks				56,387,741			56,387,741
Placements with banks				12,931,605			12,931,605
Securities purchased under resale agreements				2,350,704			2,350,704
Derivative financial instruments	5,300,844						5,300,844
Loans and advances to customers				1,027,768,110			1,027,768,110
Financial investments	8,804,647	-	243,253,967	191,984,082	16,263,641		460,306,337
Total financial assets	14,105,491	-	243,253,967	1,364,666,285	16,263,641	-	1,638,289,384
Other assets						78,267,317	78,267,317
Total assets	14,105,491	-	243,253,967	1,364,666,285	16,263,641	78,267,317	1,716,556,701

	Held for trading	Amortised cost	Others	Total
Financial liabilities				
Due to banks		2,053,945		2,053,945
Securities sold under repurchase agreements		58,925,801		58,925,801
Derivative financial instruments	171,663			171,663
Other financial liabilities held for trading				-
Due to customers		1,273,631,287		1,273,631,287
Other borrowings		204,485,301		204,485,301
Debt securities issued		8,360,333		8,360,333
Subordinated term debts		38,295,318		38,295,318
Total financial liabilities	171,663	1,585,751,985	-	1,585,923,648
Other liabilities			27,278,317	27,278,317
Total liabilities	171,663	1,585,751,985	27,278,317	1,613,201,965

Description	Note	Interest payable frequency	Issue date	Maturity date	Coupon rate		Interest Rate of comparable Government security	Amount			
					31.12.2017	31.12.2016		Bank		Group	
								31.12.2017	31.12.2016	31.12.2017	31.12.2016
					%	%	%	Rs '000	Rs '000	Rs '000	Rs '000
Fixed interest rate											
Unsecured, subordinated, redeemable debentures	a	Annually	30.11.2012	29.11.2017	16.00	16.00	-	-	6,034,052	-	6,028,987
Unsecured, subordinated, redeemable debentures	a	Semi annually	30.11.2012	29.11.2017	15.25	15.25	-	-	40,189	-	40,189
Unsecured, subordinated, redeemable debentures	a	Annually	25.10.2013	24.10.2018	13.00	13.00	8.89	3,869,827	3,869,827	3,869,827	3,869,827
Unsecured, subordinated, redeemable debentures	a	Semi annually	25.10.2013	24.10.2018	12.60	12.60	8.89	220,369	220,369	220,369	220,369
Unsecured, subordinated, redeemable debentures	a	Annually	25.10.2013	24.10.2021	13.25	13.25	9.81	1,226,594	1,226,594	1,226,594	1,226,594
Unsecured, subordinated, redeemable debentures	a	Annually	25.10.2013	24.10.2022	13.25	13.25	9.92	1,227,617	1,227,617	1,227,617	1,227,617
Unsecured, subordinated, redeemable debentures	a	Annually	25.10.2013	24.10.2023	13.75	13.75	9.99	1,638,142	1,638,142	1,638,142	1,638,142
Unsecured, subordinated, redeemable debentures	a	Annually	22.09.2014	21.09.2019	8.00	8.00	9.26	5,234,969	5,234,969	5,234,969	5,234,969
Unsecured, subordinated, redeemable debentures	a	Quarterly	22.09.2014	21.09.2019	7.75	7.75	9.26	216,182	216,182	216,182	216,182
Unsecured, subordinated, redeemable debentures	a	Annually	22.09.2014	21.09.2022	8.25	8.25	9.92	1,873,793	1,873,793	1,873,793	1,873,793
Unsecured, subordinated, redeemable debentures	a	Annually	06.10.2015	05.10.2020	8.25	8.25	9.66	293,991	293,991	293,991	293,991
Unsecured, subordinated, redeemable debentures	a	Quarterly	06.10.2015	05.10.2020	8.00	8.00	9.66	12,449	12,449	12,449	12,449
Unsecured, subordinated, redeemable debentures	a	Annually	06.10.2015	05.10.2023	9.50	9.50	9.99	1,205,580	1,205,580	1,205,580	1,205,580
Unsecured, subordinated, redeemable debentures	a	Annually	29.12.2016	28.12.2021	13.25	13.25	9.74	8,003,632	8,003,632	7,993,622	7,993,622
Unsecured, subordinated, redeemable debentures	a	Annually	29.12.2016	28.12.2024	12.75	12.75	10.04	784	784	784	784
Unsecured, redeemable debentures		Semi annually	18.06.2012	17.06.2017	14.75	14.75	-	-	1,286,404	-	1,286,404
Unsecured, redeemable debentures		Annually	07.12.2012	06.12.2017	15.50	15.50	-	-	2,140,654	-	2,140,654
Unsecured, subordinated, redeemable debentures		Annually	29.12.2017	28.12.2022	12.50	-	9.92	5,003,228	-	5,003,228	-
Unsecured, subordinated, redeemable debentures		Annually	29.12.2017	28.12.2025	12.75	-	10.12	5,003,289	-	5,003,289	-
Unsecured, redeemable debentures	a	Annually	28.03.2013	27.03.2017	17.25	17.25	-	-	-	-	569,943
Unsecured, redeemable debentures	a	Annually	17.12.2013	16.12.2017	-	14.25	-	-	-	-	771,044
Unsecured, redeemable debentures	a	Quarterly	17.12.2013	16.12.2017	13.50	13.50	-	-	-	-	18,137
Unsecured, redeemable debentures	a	Monthly	17.12.2013	16.12.2017	-	13.25	-	-	-	-	11,599
Unsecured, redeemable debentures	a	Annually	28.03.2013	27.03.2018	17.50	17.50	8.19	-	-	735,857	735,088
Unsecured, redeemable debentures	a	Quarterly	28.03.2013	27.03.2018	16.70	16.70	8.19	-	-	655,844	655,752
Unsecured, redeemable debentures	a	Monthly	28.03.2013	27.03.2018	16.50	16.50	8.19	-	-	168,793	168,786
Unsecured, redeemable debentures	a	Annually	13.11.2014	12.11.2019	9.00	9.00	9.51	-	-	867,739	868,031
Unsecured, redeemable debentures	a	Annually	13.11.2014	12.11.2019	8.75	8.75	9.51	-	-	1,132,445	1,134,895
Unsecured, redeemable debentures	a	Annually	12.05.2017	03.05.2022	15.00	-	9.98	-	-	884,335	-
Unsecured, redeemable debentures	a	Semi annually	12.05.2017	03.05.2022	14.50	-	9.98	-	-	1,221,468	-
Unsecured, redeemable debentures	a	Semi annually	12.05.2017	03.05.2022	13.90	-	9.98	-	-	1,033	-
								35,030,446	34,525,228	40,687,950	39,443,428
Floating interest rate											
Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 125 basis points)	a/b	Semi annually	30.11.2012	29.11.2017	-	12.04	-	-	424	-	424
Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 100 basis points)	a/b	Semi annually	25.10.2013	24.10.2018	11.13	11.51	8.89	204	204	204	204
Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 100 basis points)	a/b	Semi annually	25.10.2013	24.10.2021	11.13	11.51	9.81	1,020	1,021	1,020	1,021
Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 50 basis points)	a/b	Semi annually	22.09.2014	21.09.2019	10.43	11.29	9.26	848,391	850,291	514,011	515,138
Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 50 basis points)	a/b	Semi annually	22.09.2014	21.09.2022	10.43	11.29	9.92	31	31	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	11.34	11.68	9.66	4,595,440	4,598,903	4,595,440	4,598,903
Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 125 basis points)	a/b	Semi annually	06.10.2015	05.10.2023	11.34	11.68	9.99	2,093,885	2,095,461	2,093,885	2,095,461
Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 125 basis points)	a/b	Semi annually	29.12.2016	28.12.2021	10.47	11.95	9.74	1,020	1,021	1,020	1,021
Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 125 basis points)	a/b	Semi annually	29.12.2016	28.12.2024	10.47	11.95	10.04	20	20	20	20
								7,540,011	7,547,376	7,205,631	7,212,223
								42,570,457	42,072,604	47,893,581	46,655,651

Notes

- a) Debentures that are listed in the Colombo Stock Exchange. Some of these have been traded in the Colombo Stock Exchange during the year 31 December 2017.
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. 94.00)
- 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-2017 to 31-Dec-2017 Rs.	01-Jan-2016 to 31-Dec-2016 Rs.
Market Value		
BoC Debentures 2012/2017 ,		
Unsecured, subordinated, redeemable, 5 years, fixed rate (16.0%)		
Highest , Lowest and Last transaction	Not Traded	102.65
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	101.50	Not Traded
Lowest	100.82	Not Traded
Last transaction	101.50	Not Traded
BoC Debentures 2014/2022 ,		
Unsecured, subordinated, redeemable, 5 years, fixed rate (8.0%)		
Highest , Lowest and Last transaction	Not Traded	96.87
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	98.00	95.00
Lowest	94.00	95.00
Last transaction	94.00	95.00
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

	31-Dec-2017 %	31-Dec-2016 %
Interest yield as at date of last trade done		
BoC Debentures 2012/2017 ,		
5 years, fixed rate (16.0%)	Not Traded	13.94
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%)	13.34	Not Traded
BoC Debentures 2014/2022 ,		
5 years, fixed rate (8.0%)	Not Traded	9.06
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)	13.96	13.39
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	15.59
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%)	13.55	Not Traded
BoC Debentures 2014/2022 ,		
5 years, fixed rate (8.0%)	Not Traded	8.26
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)	12.06	12.29
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	
	31-Dec-2017	31-Dec-2016	31-Dec-2017	31-Dec-2016
1) Loans and advances to customers				
Gross loans and advances	1,219,914,481	1,047,189,690	1,252,363,355	1,075,952,153
Less : Individual impairment	29,085,605	19,375,172	29,562,683	19,776,777
Collective impairment	27,667,962	27,731,944	28,506,278	28,407,266
Net loans and advances including those designated at fair value through profit or loss	1,163,160,914	1,000,082,574	1,194,294,394	1,027,768,110
Less : Loans and advances designated at fair value through profit or loss	-	-	-	-
Net loans and advances	1,163,160,914	1,000,082,574	1,194,294,394	1,027,768,110
2) Loans and advances to customers - By product				
Local currency				
Overdrafts	169,123,476	157,764,525	169,120,155	157,732,793
Term loans	258,559,100	220,511,465	264,188,350	224,572,914
Lease rentals receivable	48,199,691	47,111,702	64,287,980	62,422,939
Credit cards	3,840,479	3,370,916	3,840,479	3,370,916
Pawning	51,540,743	47,191,558	52,240,377	47,691,413
Loans under schemes	89,621,904	80,127,478	90,662,792	81,120,650
Housing loans	56,520,480	48,851,923	56,520,480	48,888,959
Trade finance	46,910,127	38,183,554	47,538,632	39,179,748
Personal loans	175,226,804	160,170,812	180,549,642	164,852,154
Staff loans	16,010,801	15,803,961	16,273,604	16,017,452
Foreclosed properties	1,097,220	547,785	1,097,220	547,785
Other loans	10,270,950	9,986,891	10,270,950	9,986,891
Total local currency loans and advances	926,921,775	829,622,570	956,590,661	856,384,614
Foreign currency				
Overdrafts	11,801,933	13,753,894	11,989,037	13,926,430
Term loans	246,534,672	170,726,008	249,119,988	172,551,191
Trade finance	31,728,812	29,854,206	31,728,812	29,854,206
Lease rentals receivable	236,682	363,587	236,682	363,587
Loans under schemes	48,022	1,017,341	48,022	1,017,341
Housing loans	170,674	-	170,674	-
Staff loans	9,865	9,161	17,433	11,861
Foreclosed properties	523,495	513,033	523,495	513,033
Other loans	1,938,551	1,329,890	1,938,551	1,329,890
Total foreign currency loans and advances	292,992,706	217,567,120	295,772,694	219,567,539
Total gross loans and advances to customers	1,219,914,481	1,047,189,690	1,252,363,355	1,075,952,153

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

Individual impairment				
Opening balance (01 January)	19,375,172	12,629,562	19,776,777	13,396,778
Charge during the year	11,713,536	9,209,538	11,758,365	9,289,236
Amount recovered / reversed during the year	(2,081,790)	(2,523,858)	(2,081,790)	(2,523,858)
Exchange rate variance on foreign currency impairment	143,324	172,083	143,324	172,083
Amount written-off during the period	(26,944)	(15,452)	(37,546)	(460,761)
Other movements	(37,693)	(96,701)	3,553	(96,701)
Closing balance (31 December)	29,085,605	19,375,172	29,562,683	19,776,777
Collective impairment				
Opening balance (01 January)	27,731,944	29,897,086	28,407,266	30,637,409
Charge / (Reversal) during the year	8,912	(2,288,919)	208,314	(2,344,378)
Exchange rate variance on foreign currency impairment	15,815	13,106	15,815	13,106
Amount written-off during the year	(1,153,687)	(15,492)	(1,153,687)	(15,492)
Other movements	1,064,978	126,163	1,028,570	116,621
Closing balance (31 December)	27,667,962	27,731,944	28,506,278	28,407,266
Total impairment	56,753,567	47,107,116	58,068,961	48,184,043

DUE TO OTHER CUSTOMERS

4) Due to other customers - By product

Local currency				
Demand deposits (current accounts)	113,404,221	110,289,302	113,047,717	110,085,641
Savings deposits	352,068,521	321,546,458	352,930,501	322,247,426
Time deposits	739,173,691	509,934,665	757,243,699	525,473,967
Other deposits	2,828,892	3,172,486	2,828,892	3,172,486
Total local currency deposits	1,207,475,325	944,942,911	1,226,050,809	960,979,520
Foreign currency				
Demand deposits (current accounts)	22,344,522	33,967,358	22,893,509	34,548,616
Savings deposits	88,397,442	77,935,473	88,725,067	78,259,071
Time deposits	227,389,171	198,582,914	227,481,457	198,683,246
Other deposits	1,225,576	1,160,834	1,225,576	1,160,834
Total foreign currency deposits	339,356,711	311,646,579	340,325,609	312,651,767
Total due to customers	1,546,832,036	1,256,589,490	1,566,376,418	1,273,631,287

Rs. '000

For the year ended 31 December	Retail Banking		Corporate Banking		International, Treasury and Investment		Group Functions		Unallocated		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenue from external customers:												
Net interest income	30,039,025	26,013,710	17,234,314	11,289,375	14,344,185	18,314,913	3,132,158	2,646,753	(3,259,580)	(1,658,259)	61,490,102	56,606,492
Net fee and commission income	3,492,224	3,114,917	2,440,840	2,693,911	767,608	855,069	169,053	156,377	594,681	555,538	7,464,406	7,375,812
Other income	3,897,834	2,130,174	604,786	443,911	3,963,541	7,835,717	2,344,850	2,869,873	(981,187)	(2,263,102)	9,829,824	11,016,573
Total operating income	37,429,083	31,258,801	20,279,940	14,427,197	19,075,334	27,005,699	5,646,061	5,673,003	(3,646,086)	(3,365,823)	78,784,332	74,998,877
Expenses :												
Impairment (charge)/reversal for loans and other losses	(1,830,794)	(179,231)	(7,780,736)	(4,172,581)	300,000	-	(294,420)	(24,239)	(278,939)	(44,949)	(9,884,889)	(4,421,000)
Total operating expenses	(18,829,578)	(18,801,358)	(4,109,781)	(5,614,716)	(4,215,509)	(5,572,657)	(4,046,207)	(4,494,198)	496,673	335,811	(30,704,402)	(34,147,118)
Total expenses	(20,660,372)	(18,980,589)	(11,890,517)	(9,787,297)	(3,915,509)	(5,572,657)	(4,340,627)	(4,518,437)	217,734	290,862	(40,589,291)	(38,568,118)
Operating profit before VAT and NBT on financial services	16,768,711	12,278,212	8,389,423	4,639,900	15,159,825	21,433,042	1,305,434	1,154,566	(3,428,352)	(3,074,962)	38,195,041	36,430,759
VAT and NBT on financial services											(7,431,502)	(6,376,679)
Operating profit after VAT and NBT on financial services											30,763,539	30,054,080
Share of profits/ (losses) of Associate companies, net of tax							52,024	62,952			52,024	62,952
Profit/(loss) before income tax	16,768,711	12,278,212	8,389,423	4,639,900	15,159,825	21,433,042	1,357,458	1,217,518.00	(3,428,352)	(3,074,962)	30,815,563	30,117,032
Income tax expense											(9,328,918)	(6,731,105)
Profit for the year											21,486,645	23,385,927
Total assets	632,145,758	562,800,269	601,742,151	505,590,833	621,865,981	520,547,053	64,420,266	66,709,365	79,236,027	60,909,181	1,999,410,183	1,716,556,701
Total liabilities	596,145,109	531,496,099	567,472,984	477,468,776	586,450,764	491,593,098	52,417,323	55,603,568	74,597,506	57,040,424	1,877,083,686	1,613,201,965
Cash flows from / (used in) operating activities	67,567,090	(9,134,526)	38,765,320	(3,964,182)	32,264,524	(6,431,149)	7,045,195	(929,388)	(7,331,808)	582,285	138,310,321	(19,876,960)
Cash flows from / (used in) investing activities	(27,660,790)	(830,770)	(15,869,847)	(746,321)	(13,208,534)	83,373,761	(2,884,180)	(98,472)	3,001,513	(89,911)	(56,621,838)	81,608,287
Cash flows from / (used in) financing activities	(24,521,481)	(23,602,765)	(23,342,099)	(21,203,511)	(24,122,720)	(21,830,746)	(2,156,103)	(2,469,252)	(3,068,450)	(2,533,060)	(77,210,853)	(71,639,334)
Capital expenditure to non current assets											3,959,791	2,597,824
Depreciation and amortisation expenses	623,465	489,944	593,479	440,140	613,327	453,161	275,335	247,202	436,874	369,457	2,542,480	1,999,904

During the period from 01.01.2015 to 31.12.2017

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.							