



INTERIM FINANCIAL STATEMENTS
for the three months ended 31 March 2017
(Un -audited)

Bank of Ceylon

| For the three months ended 31 March | Bank | | | Group | | |
|--|--------------------|--------------------|--------------|--------------------|--------------------|--------------|
| | 2017 | 2016 | Change % | 2017 | 2016 | Change % |
| Total income | 43,957,583 | 34,327,561 | 28.1 | 45,758,794 | 35,830,995 | 27.7 |
| Interest income | 39,421,816 | 31,182,966 | 26.4 | 40,814,428 | 32,339,586 | 26.2 |
| Interest expenses | (25,887,529) | (18,444,409) | 40.4 | (26,607,386) | (18,969,848) | 40.3 |
| Net interest income | 13,534,287 | 12,738,557 | 6.2 | 14,207,042 | 13,369,738 | 6.3 |
| Fee and commission income | 2,665,595 | 2,080,856 | 28.1 | 2,718,958 | 2,154,479 | 26.2 |
| Fee and commission expenses | (459,024) | (332,568) | 38.0 | (474,084) | (363,324) | 30.5 |
| Net fee and commission income | 2,206,571 | 1,748,288 | 26.2 | 2,244,874 | 1,791,155 | 25.3 |
| Net gains / (losses) from trading | 679,396 | 326,922 | 107.8 | 664,505 | 243,698 | 172.7 |
| Net gains / (losses) from financial instruments designated at fair value through profit or loss | - | - | - | - | - | - |
| Net gains / (losses) from financial investments | 327,766 | 106,238 | 208.5 | 327,766 | 106,238 | 208.5 |
| Other operating income | 863,010 | 630,579 | 36.9 | 1,233,137 | 986,994 | 24.9 |
| | 1,870,172 | 1,063,739 | 75.8 | 2,225,408 | 1,336,930 | 66.5 |
| Total operating income | 17,611,030 | 15,550,584 | 13.2 | 18,677,324 | 16,497,823 | 13.2 |
| Impairment (charge) / reversal for loans and other losses | (1,789,917) | (572,074) | 212.9 | (1,778,469) | (586,442) | 203.3 |
| Individual impairment | (1,087,666) | 116,181 | 1,036.2 | (1,093,074) | 90,100 | 1,313.2 |
| Collective impairment | (702,251) | (688,255) | 2.0 | (685,395) | (676,542) | 1.3 |
| Other losses | - | - | - | - | - | - |
| Net operating income | 15,821,113 | 14,978,510 | 5.6 | 16,898,855 | 15,911,381 | 6.2 |
| Operating expenses | | | | | | |
| Personnel expenses | (3,711,098) | (4,123,303) | (10.0) | (4,134,911) | (4,496,957) | (8.1) |
| Depreciation and amortisation | (412,576) | (396,923) | 3.9 | (563,397) | (531,841) | 5.9 |
| Other expenses | (2,062,081) | (1,343,605) | 53.5 | (2,364,505) | (1,749,563) | 35.1 |
| Total operating expenses | (6,185,755) | (5,863,831) | 5.5 | (7,062,813) | (6,778,361) | 4.2 |
| Operating profit before Value Added Tax (VAT) and Nation Building Tax (NBT) on financial services | 9,635,358 | 9,114,679 | 5.7 | 9,836,042 | 9,133,020 | 7.7 |
| Value Added Tax (VAT) and Nation Building Tax (NBT) on financial services | (1,727,138) | (1,268,117) | 36.2 | (1,767,807) | (1,287,897) | 37.3 |
| Operating profit after Value Added Tax (VAT) and Nation Building Tax (NBT) on financial services | 7,908,220 | 7,846,562 | 0.8 | 8,068,235 | 7,845,123 | 2.8 |
| Share of profits / (losses) of Associate companies, net of tax | - | - | - | 6,590 | 52 | 12,573.8 |
| Profit before income tax | 7,908,220 | 7,846,562 | 0.8 | 8,074,825 | 7,845,175 | 2.9 |
| Income tax expense | (2,035,181) | (2,034,895) | 0.0 | (2,089,311) | (2,065,034) | 1.2 |
| Profit for the period | 5,873,039 | 5,811,667 | 1.1 | 5,985,514 | 5,780,141 | 3.6 |
| Profit attributable to: | | | | | | |
| Equity holder of the Bank | 5,873,039 | 5,811,667 | 1.1 | 5,968,708 | 5,836,076 | 2.3 |
| Non controlling interest | - | - | - | 16,806 | (55,935) | (130.0) |
| Profit for the period | 5,873,039 | 5,811,667 | 1.1 | 5,985,514 | 5,780,141 | 3.6 |
| Earnings per share: | | | | | | |
| Basic earnings per share (Rs.) | 2,349.22 | 2,324.67 | 1.1 | 2,387.48 | 2,334.43 | 2.3 |
| Diluted earnings per share (Rs.) | 1,566.14 | 2,324.67 | (32.6) | 1,591.66 | 2,334.43 | (31.8) |

| For the three months ended 31 March | Bank | | | Group | | |
|--|------------------|--------------------|---------------|------------------|--------------------|---------------|
| | 2017 | 2016 | Change % | 2017 | 2016 | Change % |
| Profit for the period | 5,873,039 | 5,811,667 | 1.1 | 5,985,514 | 5,780,141 | 3.6 |
| 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 | - | - | - | 903 | 215 | 320.0 |
| | - | - | - | 903 | 215 | 320.0 |
| Items that are or may be reclassified to profit or loss | | | | | | |
| Exchange gains / (losses) arising from translating the financial statements of foreign operations | 257,711 | (23,423) | 1,200.2 | 326,010 | (121,513) | 368.3 |
| Gains / (Losses) on remeasuring available for sale financial investments | (586,006) | (1,039,795) | (43.6) | (666,279) | (1,276,709) | (47.8) |
| Deferred tax effect on above | (16,476) | 3,305 | (598.5) | (16,476) | 3,305 | (598.5) |
| Realized gains on available for sale financial investments transferred to profit or loss | 11 | (15,497) | 100.1 | 11 | (15,497) | 100.1 |
| Share of other comprehensive income of Associate companies, net of tax | - | - | - | (4,472) | (9,529) | (53.1) |
| | (344,760) | (1,075,410) | (67.9) | (361,206) | (1,419,943) | (74.6) |
| Total other comprehensive income for the period, net of tax | (344,760) | (1,075,410) | (67.9) | (360,303) | (1,419,728) | (74.6) |
| Total comprehensive income for the period | 5,528,279 | 4,736,257 | 16.7 | 5,625,211 | 4,360,413 | 29.0 |
| Attributable to: | | | | | | |
| Equity holder of the Bank | 5,528,279 | 4,736,257 | 16.7 | 5,613,138 | 4,435,816 | 26.5 |
| Non controlling interest | - | - | - | 12,073 | (75,403) | 116.0 |
| Total comprehensive income for the period | 5,528,279 | 4,736,257 | 16.7 | 5,625,211 | 4,360,413 | 29.0 |

| As at | Bank | | | Group | | |
|---|----------------------|--------------------------|------------|----------------------|--------------------------|------------|
| | 31-Mar-2017 | 31-Dec-2016 (Audited) | Change % | 31-Mar-2017 | 31-Dec-2016 (Audited) | Change % |
| Assets | | | | | | |
| Cash and cash equivalents | 73,387,938 | 67,705,791 | 8.4 | 75,531,316 | 73,244,043 | 3.1 |
| Balances with Central Banks | 57,737,557 | 56,387,741 | 2.4 | 57,737,557 | 56,387,741 | 2.4 |
| Placements with banks | 14,392,952 | 11,674,664 | 23.3 | 15,299,529 | 12,931,605 | 18.3 |
| Securities purchased under resale agreements | 22,224,139 | 1,901,618 | 1,068.7 | 22,654,940 | 2,350,704 | 863.8 |
| Derivative financial instruments | 5,436,168 | 5,300,844 | 2.6 | 5,436,168 | 5,300,844 | 2.6 |
| Financial instruments - Held for trading | 7,993,408 | 8,474,041 | (5.7) | 8,249,753 | 8,804,647 | (6.3) |
| Financial investments - Loans and receivables | 215,733,180 | 191,874,638 | 12.4 | 216,031,431 | 191,984,082 | 12.5 |
| Loans and advances to customers | 1,050,661,171 | 1,000,082,574 | 5.1 | 1,079,605,517 | 1,027,768,110 | 5.0 |
| Financial investments - Available for sale | 11,939,618 | 10,463,046 | 14.1 | 17,504,582 | 16,263,641 | 7.6 |
| Financial investments - Held to maturity | 259,005,844 | 243,178,400 | 6.5 | 259,083,243 | 243,253,967 | 6.5 |
| Investment in Subsidiary companies | 6,213,048 | 6,213,048 | - | - | - | - |
| Investment in Associate companies | 92,988 | 92,988 | - | 409,487 | 420,669 | (2.7) |
| Investment properties | 2,992,683 | 3,000,000 | (0.2) | 125,953 | 127,670 | (1.3) |
| Property, plant and equipment | 15,750,699 | 15,482,163 | 1.7 | 29,356,177 | 29,200,036 | 0.5 |
| Leasehold properties | 100,939 | 101,839 | (0.9) | 134,915 | 136,155 | (0.9) |
| Intangible assets | 643,102 | 563,490 | 14.1 | 729,289 | 655,630 | 11.2 |
| Deferred tax assets | - | - | - | 5,204 | 5,456 | (4.6) |
| Other assets | 47,144,700 | 46,794,389 | 0.7 | 47,915,481 | 47,721,701 | 0.4 |
| Total assets | 1,791,450,134 | 1,669,291,274 | 7.3 | 1,835,810,542 | 1,716,556,701 | 6.9 |
| Liabilities | | | | | | |
| Due to banks | 2,277,970 | 2,042,322 | 11.5 | 2,386,131 | 2,053,945 | 16.2 |
| Securities sold under repurchase agreements | 65,906,784 | 59,424,629 | 10.9 | 65,640,454 | 58,925,801 | 11.4 |
| Derivative financial instruments | 866,073 | 171,663 | 404.5 | 866,073 | 171,663 | 404.5 |
| Due to customers | 1,323,935,089 | 1,256,589,490 | 5.4 | 1,341,841,198 | 1,273,631,287 | 5.4 |
| Other borrowings | 236,325,397 | 195,469,853 | 20.9 | 242,731,644 | 204,485,301 | 18.7 |
| Debt securities issued | 3,552,174 | 3,427,058 | 3.7 | 7,890,203 | 8,360,333 | (5.6) |
| Current tax liabilities | 3,483,388 | - | 100.0 | 3,738,672 | 253,020 | 1,377.6 |
| Deferred tax liabilities | 1,550,328 | 1,439,285 | 7.7 | 4,161,345 | 4,078,734 | 2.0 |
| Insurance provision - Life | - | - | - | 527,749 | 514,675 | 2.5 |
| Insurance provision - Non life | - | - | - | 751,311 | 775,375 | (3.1) |
| Other liabilities | 16,623,018 | 19,231,833 | (13.6) | 18,086,779 | 21,656,513 | (16.5) |
| Subordinated term debts | 39,725,244 | 38,645,546 | 2.8 | 39,384,172 | 38,295,318 | 2.8 |
| Total liabilities | 1,694,245,465 | 1,576,441,679 | 7.5 | 1,728,005,731 | 1,613,201,965 | 7.1 |
| Equity | | | | | | |
| Share capital | 15,000,000 | 15,000,000 | - | 15,000,000 | 15,000,000 | - |
| Permanent reserve fund | 7,996,000 | 7,996,000 | - | 7,996,000 | 7,996,000 | - |
| Retained earnings | 58,854,519 | 54,154,685 | 8.7 | 60,450,928 | 55,659,003 | 8.6 |
| Other reserves | 15,354,150 | 15,698,910 | (2.2) | 23,468,296 | 23,820,288 | (1.5) |
| Total equity attributable to equity holder of the Bank | 97,204,669 | 92,849,595 | 4.7 | 106,915,224 | 102,475,291 | 4.3 |
| Non controlling interest | - | - | - | 889,587 | 879,445 | 1.2 |
| Total equity | 97,204,669 | 92,849,595 | 4.7 | 107,804,811 | 103,354,736 | 4.3 |
| Total liabilities and equity | 1,791,450,134 | 1,669,291,274 | 7.3 | 1,835,810,542 | 1,716,556,701 | 6.9 |
| Contingent liabilities and commitments | 559,633,160 | 547,398,625 | 2.2 | 559,935,144 | 548,333,620 | 2.1 |

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 period | | | | | | | | |
| Profit for the period | | | | | | | 5,811,667 | 5,811,667 |
| Other comprehensive income, net of tax | | | | (1,051,987) | (23,423) | - | - | (1,075,410) |
| Dividends for 2016 | | | | | | | (173,205) | (173,205) |
| Balance as at 31 March 2016 | 10,000,000 | - | 5,209,955 | 4,485,372 | 1,020,219 | 8,607,654 | 56,724,472 | 86,047,672 |
| 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 | | | | | | | 5,873,039 | 5,873,039 |
| Other comprehensive income, net of tax | | | | (602,471) | 257,711 | - | - | (344,760) |
| Dividends for 2017 | | | | | | | (1,173,205) | (1,173,205) |
| Balance as at 31 March 2017 | 10,000,000 | 5,000,000 | 7,996,000 | 3,884,710 | 1,467,146 | 10,002,294 | 58,854,519 | 97,204,669 |

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 period | | | | | | | | | |
| Profit for the period | | | | | | | 5,836,076 | (55,935) | 5,780,141 |
| Other comprehensive income, net of tax | | | | (1,269,446) | (121,513) | - | (9,301) | (19,468) | (1,419,728) |
| Dividends for 2016 | | | | | | | (173,205) | | (173,205) |
| Changes in non controlling interest | | | | | | | | 52,525 | 52,525 |
| Balance as at 31 March 2016 | 10,000,000 | - | 5,209,955 | 5,270,069 | 1,835,287 | 14,469,008 | 59,541,865 | 987,762 | 97,313,946 |
| 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 | | | | | | | 5,968,708 | 16,806 | 5,985,514 |
| Other comprehensive income, net of tax | | | | (678,002) | 326,010 | - | (3,578) | (4,733) | (360,303) |
| Dividends for 2017 | | | | | | | (1,173,205) | | (1,173,205) |
| Subsidiary dividends to non controlling interest | | | | | | | | (1,931) | (1,931) |
| Balance as at 31 March 2017 | 10,000,000 | 5,000,000 | 7,996,000 | 4,884,264 | 2,089,973 | 16,494,059 | 60,450,928 | 889,587 | 107,804,811 |

STATEMENT OF CASH FLOWS

5

Rs. '000

| For the three months ended 31 March | Bank | | Group | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 2017 | 2016 | 2017 | 2016 |
| Cash flows from operating activities | | | | |
| Profit before income tax | 7,908,220 | 7,846,562 | 8,074,825 | 7,845,175 |
| Adjustments for : | | | | |
| Net interest income | (13,534,287) | (12,738,557) | (14,207,042) | (13,369,738) |
| Dividend income on trading securities | (30,461) | (15,607) | (30,504) | (18,550) |
| Dividends from Subsidiaries and Associates | (12,630) | (2,500) | - | - |
| Share of profits of Associate companies, net of tax | | - | (6,590) | (52) |
| Change in operating assets | (73,666,396) | (22,536,613) | (75,470,619) | (24,066,254) |
| Change in operating liabilities | 88,917,914 | 35,506,574 | 89,020,162 | 36,823,025 |
| Other non cash items included in profit before tax | 3,306,033 | 2,577,730 | 3,482,757 | 3,010,796 |
| Other net gains from investing activities | (327,766) | (106,238) | (327,766) | (106,238) |
| | 12,560,627 | 10,531,351 | 10,535,223 | 10,118,164 |
| Contribution paid from defined benefit plans | (1,529,848) | (1,605,826) | (1,531,509) | (1,607,218) |
| Interest received | 26,537,672 | 21,262,298 | 27,808,794 | 22,297,884 |
| Interest paid | (18,351,333) | (14,662,815) | (18,856,912) | (15,095,888) |
| Dividends received | 30,461 | 15,607 | 30,504 | 18,550 |
| Net cash from operating activities before income tax | 19,247,579 | 15,540,615 | 17,986,100 | 15,731,492 |
| Income tax paid | - | (568,000) | (133,112) | (616,200) |
| Net cash from operating activities | 19,247,579 | 14,972,615 | 17,852,988 | 15,115,292 |
| Cash flows from investing activities | | | | |
| Net increase in financial investments - Held to maturity | (19,759,843) | (5,094,384) | (19,761,675) | (5,095,994) |
| Net (increase)/ decrease in financial investments - Available for sale | (2,006,637) | 818,785 | (1,851,278) | 106,714 |
| Net increase in financial investments - Loans and receivables | (23,858,541) | (18,526,491) | (24,047,348) | (18,542,565) |
| Purchase of property plant and equipment and leasehold properties | (522,530) | (288,347) | (523,313) | (303,405) |
| Purchase of intangible assets | (142,360) | (43,316) | (142,360) | (43,918) |
| Dividends received | 284,465 | 74,199 | 271,835 | 71,699 |
| Interest received | 13,269,205 | 12,599,907 | 14,021,962 | 12,720,941 |
| Net cash used in investing activities | (32,736,241) | (10,459,647) | (32,032,177) | (11,086,528) |
| Cash flows from financing activities | | | | |
| Net increase / (decrease) in other borrowings | 28,870,156 | (11,977,625) | 26,260,955 | (12,016,414) |
| Dividends paid to Government of Sri Lanka | (1,173,205) | (173,205) | (1,173,205) | (173,205) |
| Dividends paid to non controlling interest | | | (1,931) | - |
| Interest payments on borrowings and debt securities | (8,439,928) | (3,145,395) | (8,629,681) | (3,237,761) |
| Net cash from/(used in) financing activities | 19,257,023 | (15,296,225) | 16,456,138 | (15,427,380) |
| Net increase/(decrease) in cash and cash equivalents during the period | 5,768,361 | (10,783,257) | 2,276,949 | (11,398,616) |
| Cash and cash equivalents at the beginning of the period | 66,898,438 | 78,529,331 | 72,425,067 | 82,333,074 |
| Cash and cash equivalents at the end of the period | 72,666,799 | 67,746,074 | 74,702,016 | 70,934,458 |
| Analysis of cash and cash equivalents | | | | |
| Cash and cash equivalents | 73,387,938 | 68,015,175 | 75,531,316 | 71,234,391 |
| Bank overdrafts | (721,139) | (269,101) | (829,300) | (299,933) |
| Cash and cash equivalents at the end of the period | 72,666,799 | 67,746,074 | 74,702,016 | 70,934,458 |

| As at | Bank | | Group | |
|---|-------------|--------------------------|-------------|--------------------------|
| | 31-Mar-2017 | 31-Dec-2016 (Audited) | 31-Mar-2017 | 31-Dec-2016 (Audited) |
| Net assets value per share (Rs) | 9,720.47 | 9,284.96 | 10,691.52 | 10,247.53 |
| Regulatory Capital Adequacy | | | | |
| Core capital (Tier 1 capital), Rs. Mn | 74,048 | 74,128 | 79,074 | 79,148 |
| Total capital base, Rs. Mn | 105,034 | 104,858 | 112,239 | 112,057 |
| Core capital adequacy ratio, % of risk weighted assets (Minimum requirement, 5%) | 8.54% | 8.72% | 8.65% | 8.81% |
| Total capital adequacy ratio, % of risk weighted assets (Minimum requirement, 10%) | 12.11% | 12.34% | 12.27% | 12.47% |
| Profitability | | | | |
| Interest margin | 3.13% | 3.33% | 3.20% | 3.40% |
| Return on assets (before tax) | 1.83% | 1.93% | 1.82% | 1.81% |
| Return on equity (after tax) | 24.72% | 28.44% | 22.68% | 23.81% |
| Assets Quality | | | | |
| Gross non - performing advances ratio, (Net of interest in suspense) | 3.20% | 2.88% | | |
| Net non - performing advances ratio, (Net of interest in suspense and provisions) | 0.77% | 0.41% | | |
| Investor Information | | | | |
| Debt equity (%) | 128.32 | 124.45 | | |
| Interest cover (times) | 2.25 | 2.29 | | |
| Regulatory Liquidity | | | | |
| Statutory liquid assets, | | | | |
| - Domestic banking unit (Rs. Mn) | 379,886 | 307,550 | | |
| - Off-shore banking unit (US\$ Mn) | 1,048 | 997 | | |
| Statutory liquid assets ratio, (minimum requirement, 20%) | | | | |
| - Domestic banking unit | 25.23% | 21.62% | | |
| - Off-shore banking unit | 29.05% | 28.08% | | |
| Memorandum Information | | | | |
| Number of employees | 7,413 | 7,569 | | |
| Number of branches | 580 | 580 | | |

SHARE INFORMATION

| Shareholder | 31-Mar-2017 | | 31-Dec-2016 | |
|-------------------------|----------------|-----------|----------------|-----------|
| | No of Ordinary | Holding % | No of Ordinary | Holding % |
| Government of Sri Lanka | 15,000,000 * | 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 March 2017 and its profit for the three months ended 31 March 2017.

Sgd.

W P Russel Fonseka
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.
Ranel T Wijesinha
Director
(Independent Non-Executive)

Sgd.
Charitha N Wijewardane
Director
(Independent Non-Executive)

Sgd
D M Gunasekara
General Manager

12 May 2017
Colombo

| As at 31 March | 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 | | | | 73,387,938 | | | 73,387,938 |
| Balances with Central Banks | | | | 57,737,557 | | | 57,737,557 |
| Placements with banks | | | | 14,392,952 | | | 14,392,952 |
| Securities purchased under resale agreements | | | | 22,224,139 | | | 22,224,139 |
| Derivative financial instruments | 5,436,168 | | | | | | 5,436,168 |
| Loans and advances to customers | | | | 1,050,661,171 | | | 1,050,661,171 |
| Financial investments | 7,993,408 | - | 259,005,844 | 215,733,180 | 11,939,618 | | 494,672,050 |
| Total financial assets | 13,429,576 | - | 259,005,844 | 1,434,136,937 | 11,939,618 | - | 1,718,511,975 |
| Other assets | | | | | | 72,938,159 | 72,938,159 |
| Total assets | 13,429,576 | - | 259,005,844 | 1,434,136,937 | 11,939,618 | 72,938,159 | 1,791,450,134 |

| | Held for trading | Amortised Cost | Others | Total |
|--|------------------|----------------------|-------------------|----------------------|
| Financial liabilities | | | | |
| Due to banks | | 2,277,970 | | 2,277,970 |
| Securities sold under repurchase agreements | | 65,906,784 | | 65,906,784 |
| Derivative financial instruments | 866,073 | | | 866,073 |
| Other financial liabilities held for trading | | | | - |
| Due to customers | | 1,323,935,089 | | 1,323,935,089 |
| Other borrowings | | 236,325,397 | | 236,325,397 |
| Debt securities issued | | 3,552,174 | | 3,552,174 |
| Subordinated term debts | | 39,725,244 | | 39,725,244 |
| Total financial liabilities | 866,073 | 1,671,722,658 | - | 1,672,588,731 |
| Other liabilities | | | 21,656,734 | 21,656,734 |
| Total liabilities | 866,073 | 1,671,722,658 | 21,656,734 | 1,694,245,465 |

| 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 March | | 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 | | | | 75,531,316 | | | 75,531,316 |
| Balances with Central Banks | | | | 57,737,557 | | | 57,737,557 |
| Placements with banks | | | | 15,299,529 | | | 15,299,529 |
| Securities purchased under resale agreements | | | | 22,654,940 | | | 22,654,940 |
| Derivative financial instruments | 5,436,168 | | | | | | 5,436,168 |
| Loans and advances to customers | | | | 1,079,605,517 | | | 1,079,605,517 |
| Financial investments | 8,249,753 | - | 259,083,243 | 216,031,431 | 17,504,582 | | 500,869,009 |
| Total financial assets | 13,685,921 | - | 259,083,243 | 1,466,860,290 | 17,504,582 | - | 1,757,134,036 |
| Other assets | | | | | | 78,676,506 | 78,676,506 |
| Total assets | 13,685,921 | - | 259,083,243 | 1,466,860,290 | 17,504,582 | 78,676,506 | 1,835,810,542 |

| | Held for trading | Amortised Cost | Others | Total |
|--|------------------|----------------------|-------------------|----------------------|
| Financial liabilities | | | | |
| Due to banks | | 2,386,131 | | 2,386,131 |
| Securities sold under repurchase agreements | | 65,640,454 | | 65,640,454 |
| Derivative financial instruments | 866,073 | | | 866,073 |
| Other financial liabilities held for trading | | | | - |
| Due to customers | | 1,341,841,198 | | 1,341,841,198 |
| Other borrowings | | 242,731,644 | | 242,731,644 |
| Debt securities issued | | 7,890,203 | | 7,890,203 |
| Subordinated term debts | | 39,384,172 | | 39,384,172 |
| Total financial liabilities | 866,073 | 1,699,873,802 | - | 1,700,739,875 |
| Other liabilities | | | 27,265,856 | 27,265,856 |
| Total liabilities | 866,073 | 1,699,873,802 | 27,265,856 | 1,728,005,731 |

| 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 | |
|---|------|----------------------------|------------|---------------|-------------|------------|---|-------------------|-------------------|
| | | | | | 31.03.2017 | 31.12.2016 | | Bank | |
| | | | | | % | % | | 31.03.2017 | 31.12.2016 |
| | | | | | | | Rs '000 | Rs '000 | |
| Fixed interest rate | | | | | | | | | |
| Unsecured, subordinated, redeemable debentures | a | Annually | 30.11.2012 | 29.11.2017 | 16.00 | 16.00 | 10.70 | 6,262,151 | 6,034,052 |
| Unsecured, subordinated, redeemable debentures | a | Semi annually | 30.11.2012 | 29.11.2017 | 15.25 | 15.25 | 10.70 | 41,693 | 40,189 |
| Unsecured, subordinated, redeemable debentures | a | Annually | 25.10.2013 | 24.10.2018 | 13.00 | 13.00 | 11.38 | 3,989,893 | 3,869,827 |
| Unsecured, subordinated, redeemable debentures | a | Semi annually | 25.10.2013 | 24.10.2018 | 12.60 | 12.60 | 11.38 | 227,205 | 220,369 |
| Unsecured, subordinated, redeemable debentures | a | Annually | 25.10.2013 | 24.10.2021 | 13.25 | 13.25 | 12.41 | 1,265,349 | 1,226,594 |
| Unsecured, subordinated, redeemable debentures | a | Annually | 25.10.2013 | 24.10.2022 | 13.25 | 13.25 | 12.71 | 1,266,404 | 1,227,617 |
| Unsecured, subordinated, redeemable debentures | a | Annually | 25.10.2013 | 24.10.2023 | 13.75 | 13.75 | 12.59 | 1,691,763 | 1,638,142 |
| Unsecured, subordinated, redeemable debentures | a | Annually | 22.09.2014 | 21.09.2019 | 8.00 | 8.00 | 11.99 | 5,336,666 | 5,234,969 |
| Unsecured, subordinated, redeemable debentures | a | Quarterly | 22.09.2014 | 21.09.2019 | 7.75 | 7.75 | 11.99 | 216,182 | 216,182 |
| Unsecured, subordinated, redeemable debentures | a | Annually | 22.09.2014 | 21.09.2022 | 8.25 | 8.25 | 12.71 | 1,911,299 | 1,873,793 |
| Unsecured, subordinated, redeemable debentures | a | Annually | 06.10.2015 | 05.10.2020 | 8.25 | 8.25 | 12.20 | 299,876 | 293,991 |
| Unsecured, subordinated, redeemable debentures | a | Quarterly | 06.10.2015 | 05.10.2020 | 8.00 | 8.00 | 12.20 | 12,449 | 12,449 |
| Unsecured, subordinated, redeemable debentures | a | Annually | 06.10.2015 | 05.10.2023 | 9.50 | 9.50 | 12.59 | 1,233,245 | 1,205,580 |
| Unsecured, subordinated, redeemable debentures | a | Annually | 29.12.2016 | 28.12.2021 | 13.25 | 13.25 | 12.55 | 8,252,994 | 8,003,632 |
| Unsecured, subordinated, redeemable debentures | a | Annually | 29.12.2016 | 28.12.2024 | 12.75 | 12.75 | 12.63 | 808 | 784 |
| Unsecured, redeemable debentures | | Semi annually | 18.06.2012 | 17.06.2017 | 14.75 | 14.75 | 10.06 | 1,332,996 | 1,286,404 |
| Unsecured, redeemable debentures | | Annually | 07.12.2012 | 06.12.2017 | 15.50 | 15.50 | 10.70 | 2,219,177 | 2,140,654 |
| | | | | | | | | 35,560,149 | 34,525,228 |
| 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 | 12.04 | 10.70 | 437 | 424 |
| Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 100 basis points) | a/b | Semi annually | 25.10.2013 | 24.10.2018 | 11.51 | 11.51 | 11.38 | 210 | 204 |
| Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 100 basis points) | a/b | Semi annually | 25.10.2013 | 24.10.2021 | 11.51 | 11.51 | 12.41 | 1,050 | 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 | 12.04 | 11.29 | 11.99 | 827,405 | 850,291 |
| Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 50 basis points) | a/b | Semi annually | 22.09.2014 | 21.09.2022 | 12.04 | 11.29 | 12.71 | 30 | 31 |
| Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 125 basis points) | a/b | Semi annually | 06.10.2015 | 05.10.2020 | 11.68 | 11.68 | 12.20 | 4,731,286 | 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 | 11.68 | 11.68 | 12.59 | 2,155,780 | 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 | 11.95 | 11.95 | 12.55 | 1,050 | 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 | 11.95 | 11.95 | 12.63 | 21 | 20 |
| | | | | | | | | 7,717,269 | 7,547,376 |
| | | | | | | | | 43,277,418 | 42,072,604 |

Notes

- a) Debentures that are listed in the Colombo Stock Exchange. None of these have been traded in the Colombo Stock Exchange during the period ended 31 March 2017.
- 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-Mar-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%) | | |
| | Not Traded | Not Traded |
| BoC Debentures 2014/2022 , | | |
| Unsecured, subordinated, redeemable, 5 years, fixed rate (8.0%) | | |
| Highest | Not Traded | 96.87 |
| Lowest | Not Traded | 96.87 |
| 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 , Lowest and Last transaction | Not Traded | 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-Mar-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%) | Not Traded | 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) | Not Traded | 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%) | Not Traded | 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) | Not Traded | 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-Mar-2017 | 31-Dec-2016 (Audited) | 31-Mar-2017 | 31-Dec-2016 (Audited) |
| 1) Loans and advances to customers | | | | |
| Gross loans and advances | 1,099,684,025 | 1,047,189,690 | 1,129,692,802 | 1,075,952,154 |
| Less : Individual impairment | 20,576,316 | 19,375,172 | 20,966,757 | 19,776,777 |
| Collective impairment | 28,446,538 | 27,731,944 | 29,120,528 | 28,407,267 |
| Net loans and advances including those designated at fair value through profit or loss | 1,050,661,171 | 1,000,082,574 | 1,079,605,517 | 1,027,768,110 |
| Less : Loans and advances designated at fair value through profit or loss | - | - | - | - |
| Net loans and advances | 1,050,661,171 | 1,000,082,574 | 1,079,605,517 | 1,027,768,110 |
| 2) Loans and advances to customers - By product | | | | |
| Local currency | | | | |
| Overdrafts | 146,026,134 | 157,764,525 | 145,884,122 | 157,732,793 |
| Term loans | 228,104,689 | 220,511,465 | 232,260,602 | 224,572,914 |
| Lease rentals receivable | 46,772,016 | 47,111,702 | 62,630,496 | 62,422,939 |
| Credit cards | 3,391,247 | 3,370,916 | 3,391,247 | 3,370,916 |
| Pawning | 48,181,688 | 47,191,558 | 49,062,715 | 47,691,413 |
| Loans under schemes | 80,048,198 | 80,127,478 | 81,164,166 | 81,120,650 |
| Housing loans | 50,299,766 | 48,851,923 | 50,340,880 | 48,888,959 |
| Trade finance | 38,643,930 | 38,183,554 | 39,701,162 | 39,179,748 |
| Personal loans | 165,210,981 | 160,170,812 | 170,006,469 | 164,852,154 |
| Staff loans | 16,329,770 | 15,803,961 | 16,561,773 | 16,017,452 |
| Foreclosed properties | 984,246 | 547,785 | 984,246 | 547,785 |
| Other loans | 9,821,254 | 9,986,889 | 9,542,144 | 9,986,891 |
| Total local currency loans and advances | 833,813,919 | 829,622,568 | 861,530,022 | 856,384,614 |
| Foreign currency | | | | |
| Overdrafts | 16,432,670 | 13,753,894 | 16,638,076 | 13,926,430 |
| Term loans | 214,498,631 | 170,726,008 | 216,581,405 | 172,551,191 |
| Trade finance | 31,253,887 | 29,854,206 | 31,253,887 | 29,854,206 |
| Lease rentals receivable | 308,713 | 363,587 | 308,713 | 363,587 |
| Loans under schemes | 1,564,717 | 1,017,341 | 1,564,717 | 1,017,341 |
| Staff loans | 8,816 | 9,161 | 13,310 | 11,860 |
| Foreclosed properties | 519,661 | 513,033 | 519,661 | 513,033 |
| Other loans | 1,283,011 | 1,329,892 | 1,283,011 | 1,329,892 |
| Total foreign currency loans and advances | 265,870,106 | 217,567,122 | 268,162,780 | 219,567,540 |
| Total loans and advances to customers | 1,099,684,025 | 1,047,189,690 | 1,129,692,802 | 1,075,952,154 |
| 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 period | 1,603,262 | 9,209,538 | 1,608,670 | 9,289,236 |
| Amount recovered / reversed during the period | (515,596) | (2,523,858) | (515,596) | (2,523,858) |
| Exchange rate variance on foreign currency impairment | 113,478 | 172,083 | 113,478 | 172,083 |
| Amount written-off during the period | - | (15,452) | (5,511) | (460,761) |
| Other movements | - | (96,701) | (11,061) | (96,701) |
| Closing balance | 20,576,316 | 19,375,172 | 20,966,757 | 19,776,777 |
| Collective impairment | | | | |
| Opening balance (01 January) | 27,731,944 | 29,897,086 | 28,407,267 | 30,637,409 |
| Charge / (Reversal) during the period | 702,251 | (2,288,919) | 685,395 | (2,344,378) |
| Exchange rate variance on foreign currency impairment | 12,343 | 13,106 | 12,343 | 13,106 |
| Amount written-off during the period | (3,152) | (15,492) | (3,152) | (15,492) |
| Other movements | 3,152 | 126,163 | 18,675 | 116,622 |
| Closing balance | 28,446,538 | 27,731,944 | 29,120,528 | 28,407,267 |
| Total impairment | 49,022,854 | 47,107,116 | 50,087,285 | 48,184,044 |
| DUE TO OTHER CUSTOMERS | | | | |
| 4) Due to other customers - By product | | | | |
| Local currency | | | | |
| Demand deposits (current accounts) | 95,230,925 | 110,289,302 | 94,982,275 | 110,085,641 |
| Savings deposits | 328,847,723 | 321,546,458 | 329,604,900 | 322,247,426 |
| Time deposits | 571,894,180 | 509,934,665 | 588,294,377 | 525,473,967 |
| Other deposits | 2,792,813 | 3,172,486 | 2,792,813 | 3,172,486 |
| Total local currency deposits | 998,765,641 | 944,942,911 | 1,015,674,365 | 960,979,520 |
| Foreign currency | | | | |
| Demand deposits (current accounts) | 28,288,055 | 33,967,358 | 28,857,739 | 34,548,616 |
| Savings deposits | 87,124,130 | 77,935,473 | 87,459,883 | 78,259,071 |
| Time deposits | 208,322,030 | 198,582,914 | 208,413,978 | 198,683,246 |
| Other deposits | 1,435,233 | 1,160,834 | 1,435,233 | 1,160,834 |
| Total foreign currency deposits | 325,169,448 | 311,646,579 | 326,166,833 | 312,651,767 |
| Total deposits | 1,323,935,089 | 1,256,589,490 | 1,341,841,198 | 1,273,631,287 |

Rs. '000

| For the three months ended 31 March | 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 | 7,352,803 | 6,118,367 | 3,611,659 | 4,947,059 | 3,449,934 | 2,304,315 | 672,133 | 631,435 | (879,487) | (631,438) | 14,207,042 | 13,369,738 |
| Net fee and commission income | 991,726 | 822,133 | 780,571 | 559,065 | 245,214 | 204,325 | 38,303 | 42,867 | 189,060 | 162,765 | 2,244,874 | 1,791,155 |
| Other income | 352,087 | 628,134 | 21,667 | 56,994 | 1,056,550 | 395,695 | 670,471 | 488,147 | 124,633 | (232,040) | 2,225,408 | 1,336,930 |
| Total operating income | 8,696,616 | 7,568,634 | 4,413,897 | 5,563,118 | 4,751,698 | 2,904,335 | 1,380,907 | 1,162,449 | (565,794) | (700,713) | 18,677,324 | 16,497,823 |
| Expenses : | | | | | | | | | | | | |
| Impairment (charge) / reversal for loans and other losses | (809,841) | (324,395) | (975,814) | (273,297) | - | - | 11,448 | (14,368) | (4,262) | 25,618 | (1,778,469) | (586,442) |
| Total operating expenses | (3,495,622) | (2,439,713) | (1,204,074) | (1,537,809) | (1,332,943) | (1,669,789) | (1,051,272) | (995,938) | 21,098 | (135,112) | (7,062,813) | (6,778,361) |
| Total expenses | (4,305,463) | (2,764,108) | (2,179,888) | (1,811,106) | (1,332,943) | (1,669,789) | (1,039,824) | (1,010,306) | 16,836 | (109,494) | (8,841,282) | (7,364,803) |
| Operating profit before VAT and NBT on financial services | 4,391,153 | 4,804,526 | 2,234,009 | 3,752,012 | 3,418,755 | 1,234,546 | 341,083 | 152,143 | (548,958) | (810,207) | 9,836,042 | 9,133,020 |
| VAT and NBT on financial services | | | | | | | | | | | (1,767,807) | (1,287,897) |
| Operating profit after VAT and NBT on financial services | | | | | | | | | | | 8,068,235 | 7,845,123 |
| Share of profit/ (loss) of Associate companies, net of tax | | | | | | | 6,590 | 52 | | | 6,590 | 52 |
| Profit/(loss) before income tax | 4,391,153 | 4,804,526 | 2,234,009 | 3,752,012 | 3,418,755 | 1,234,546 | 347,673 | 152,195 | (548,958) | (810,207) | 8,074,825 | 7,845,175 |
| Income tax expense | | | | | | | | | | | (2,089,311) | (2,065,034) |
| Profit for the year | | | | | | | | | | | 5,985,514 | 5,780,141 |
| Total assets | 577,914,658 | 507,846,055 | 546,959,758 | 448,855,725 | 584,099,701 | 566,015,017 | 66,181,720 | 59,249,681 | 60,654,705 | 57,568,795 | 1,835,810,542 | 1,639,535,273 |
| Total liabilities | 546,556,820 | 480,492,761 | 517,281,543 | 424,679,733 | 552,406,261 | 535,528,663 | 54,906,501 | 47,310,054 | 56,854,606 | 54,210,116 | 1,728,005,731 | 1,542,221,327 |
| Cash flows from / (used in) operating activities | 5,620,135 | 4,681,962 | 5,319,103 | 4,138,115 | 5,680,284 | 5,218,236 | 643,608 | 546,238 | 589,858 | 530,741 | 17,852,988 | 15,115,292 |
| Cash flows from / (used in) investing activities | (10,083,755) | (3,434,052) | (9,543,638) | (3,035,160) | (10,191,675) | (3,827,391) | (1,154,773) | (400,646) | (1,058,336) | (389,279) | (32,032,177) | (11,086,528) |
| Cash flows from / (used in) financing activities | 5,204,968 | (4,806,537) | 4,926,174 | (4,248,220) | 5,260,673 | (5,357,081) | 522,885 | (473,259) | 541,438 | (542,283) | 16,456,138 | (15,427,380) |
| Capital expenditure to non current assets | | | | | | | | | | | 665,673 | 347,323 |
| Depreciation and amortisation expenses | 133,095 | 126,176 | 125,966 | 111,520 | 134,520 | 140,628 | 65,285 | 59,932 | 104,531 | 93,585 | 563,397 | 531,841 |

During the period from 01.01.2015 to 31.03.2017

| 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. | | | | | | | |