SEYLAN BANK PLC FINANCIAL STATEMENTS Six months ended 30th June, 2017



(In terms of Rule 7.4 of the Colombo Stock Exchange)		Bank			Bank			Group			Group	
	F	or the 06 m	onths		For the Quai	ter	Fo	r the 06 mo	nths	F	or the Quarte	er
	E	nded 30th J	une		Ended 30th	June	En	ded 30th Ju	ne	E	nded 30th Ju	ıne
	2017	2016	Growth	2017	2016	Growth	2017	2016	Growth	2017	2016	Growth
			%			%			%			%
nterest Income	20,707,683	14,918,184	38.81	10,610,995	8,036,062	32.04	20,712,245	14,925,167	38.77	10,612,218	8,039,298	32.00
.ess: Interest Expenses	13,442,304	8,771,062	53.26	6,938,106	4,827,910		13,422,703		53.18		4,823,868	43.54
let Interest Income	7,265,379	6,147,122	18.19	3,672,889	3,208,152	14.49	7,289,542	6,162,574	18.29	3,687,929	3,215,430	14.69
ee and Commission Income	1,844,027	1,488,850	23.86	938,932	763,290	23.01	1,844,000	1,488,627	23.87	938,919	763,072	23.04
ess: Fee and Commission Expenses	70,532	56,649	24.51	34,007	26,297	29.32	73,893	59,352	24.50	35,837	27,388	30.85
Net Fee and Commission Income	1,773,495	1,432,201	23.83	904,925	736,993		1,770,107		23.85	903,082	735,684	22.75
Vet Trading Income	165,271	(201,844)	181.88	254,412	314,480	(19.10)	,	(202,244)	181.27	255,076	314,680	(18.94
Net Gain from Financial Investments	242,915	30,525	695.79	247,011	,	4,1 23.64	242,915	30,525	695.79	247,011	,	4,123.64
Vet Exchange Income	380,097	475,067	(19.99)	135,994	189,944	(28.40)		475,067	(19.99)		189,944	(28.40
Other Operating Income (Net)	104,194	307,194	(66.08)	16,639	180,636	(90.79)		300,432	97.40	557,798	211,357	163.91
	892,477	610,942	46.08	654,056	678,921		1,380,420	603,780		1,195,879	709,842	68.47
Total Operating Income	9,931,351	8,190,265	21.26	5,231,870	4,624,066	13.14	10,440,069	8,195,629	27.39	5,786,890	4,660,956	24.10
ess: Impairment for Loans and Other												
Losses - Charges/(Reversal)												
Individual Impairment	938,180	174,357	438.08	684,785	103,753	560.01	938,180	174,357	438.08	684,785	103,753	560.01
Collective Impairment	230,336	138,013	66.89	146,447	124,689	17.45	230,336	138,013	66.89	146,447	124,689	17.4
Others	8,463		4,068.97	(2)		99.05	8,463		4,068.97	(2)	(210)	99.0
W-10	1,176,979	312,573	276.55	831,230	228,232	264.20	1,176,979	312,573	276.55	831,230	228,232	264.20
Net Operating Income	8,754,372	7,877,692	11.13	4,400,640	4,395,834	0.11	9,263,090	7,883,050	17.51	4,955,660	4,432,724	11.80
Personnel Expenses	2,613,920	2,302,541	13.52	1,310,706	1,168,133	12.21	2,631,899	2,319,138	13.49	1,319,761	1,176,353	12.19
Depreciation and Amortisation	334,004	286,928	16.41	169,259	146,399	15.61	356,795	310,047	15.08	180,681	157,994	14.36
Other Expenses	2,473,230	2,086,718	18.52	1,258,990	1,088,744	15.64	2,424,943		18.30		1,067,538	15.60
Other Expenses	5,421,154	4,676,187	15.93	2,738,955	2,403,276	13.97	5,413,637			2,734,530	2,401,885	13.85
Operating Profit before Taxes	3,333,218	3,201,505	4.11		1,992,558		3,849,453			2,221,130	2,030,839	9.37
sportating From Boroto Taxoo	0,000,210	0,201,000		1,001,000	1,002,000	(10.01)	0,010,100	0,201,000	20.14	2,221,100	2,000,000	0.0.
Value Added Tax (VAT) and Nation Building Tax (NBT) on Financial Services	826,711	642,310	28.71	410,971	404,934	1.49	816,478	635,828	28.41	410,971	398,452	3.14
Profit before Income Tax	0.500.507	0.550.405	(0.00)	4 000 744	4 507 604	(04.00)	2 000 075	0.500.470	40.40	4 040 450	4 600 007	10.00
Front before income tax	2,506,507	2,559,195	(2.06)	1,250,714	1,587,624	(21.22)	3,032,975	2,300,170	10.10	1,810,159	1,632,387	10.89
ncome Tax Expense	701,142	804,212	(12.82)	311,529	552,897	(43.66)	722,993	819,172	(11.74)	323,874	560,962	(42.26
Profit for the Period	1,805,365	1,754,983	2.87	939,185	1,034,727	(9.23)	2,309,982	1,749,006	32.07	1,486,285	1,071,425	38.72
Attributable to:												
Owners of the Parent	1,805,365	1,754,983	2.87	939,185	1,034,727	(9.23)	2,143,420	1,736,201	23.45	1,324,945	1,062,662	24.68
Non-Controlling Interest							166,562		1,200.76	161,340		1,741.1
Profit for the Period	1,805,365	1,754,983	2.87	939,185	1,034,727	(9.23)	2,309,982	1,749,006	32.07	1,486,285	1,071,425	38.72
Basic/Diluted Earnings per Ordinary Share	5.16	5.09	1.38	2.65	3.00	(11.67)	6.13	5.03	21.87	3.74	3.08	21.43
(in Rupees)												

CASH FLOW STATEMENT				Rs. '000
	BAI	VK .	GRO	JP
For the 06 Months ended 30th June	2017 Rs. '000	2016 Rs. '000	2017 Rs. '000	2016 Rs. '000
Cash Flows from Operating Activities				
Interest Receipts Fees and Commission Receipts Interest Payments Trading Income Receipts/Payments from Other Operating Activities Cash Payments to Employees and Suppliers Cash Payments to Other Operating Activities	20,407,973 1,844,027 (13,047,471) (101,776) 641,268 (5,902,039) (70,532)	13,763,044 1,488,850 (8,220,528) (92,195) 616,515 (5,315,814) (56,649)	20,412,535 1,844,000 (13,027,870) (102,677) 604,482 (5,867,170) (73,893)	13,770,027 1,488,627 (8,212,059) (92,195) 666,092 (5,289,075) (59,352)
Operating Profit before Changes in Operating Assets and Liabilities	3,771,450	2,183,223	3,789,407	2,272,065
(Increase)/Decrease in Operating Assets: Loans and Receivables to Customers Deposits Held for Regulatory or Monetary Control Purposes	(8,043,759) (514,608)	(14,558,152) (4,305,487)	(8,043,759) (514,608)	(14,558,152) (4,305,487)
Increase/(Decrease) in Operating Liabilities: Deposits from Customers Cash (Used in)/Generated from Operations	6,888,690 (524,352) 1,577,421	16,253,094 (416,563) (843,885)	6,888,690 (524,352) 1,595,378	16,253,094 (416,563) (755,043)
Income Tax Paid Contribution Paid into Employees Retirement Benefit Plan/to Employees	(462,736) (49,818)	(377,476) (41,775)	(469,784) (49,818)	(377,476) (41,775)
Cash (Used in)/Generated from Operating Activities	1,064,867	(1,263,136)	1,075,776	(1,174,294)
Cash Flows from Investing Activities				
Investment in Subsidiary Company Dividend Income Received Net Proceeds from Sale, Maturity and Purchase of Financial Investments of Government of Sri Lanka Treasury Bills/Bonds and Development Bonds Maturing after 03 months Net Proceeds from Sale, Maturity and Purchase of Financial Investments of Shares and Debentures Purchase of Property, Plant & Equipment and Intangible Assets Proceeds from Sale of Property, Plant & Equipment Proceeds from Disposal of Assets Held-for-Sale Improvements to Investment Properties	78,385 (7,043,333) 202,274 (359,068) 7,552	(1,673) 73,463 (898,015) 295,555 (395,565) 17,190	7,961 (7,043,333) 256,933 (359,068) 7,552 752,457 (5,319)	17,124 (898,015) 295,555 (397,923) 17,190
Net Cash (Used in) Investing Activities	(7,114,190)	(909,045)	(6,382,817)	(966,174)
Cash Flows from Financing Activities				
Securities Sold under Repurchase Agreements Increase/(Decrease) in Other Borrowings Dividends Paid - Ordinary Shares	(3,614,858) 9,005,492 (1,123,333)	13,622,433 681,225 (929,567)	(3,614,858) 8,303,755 (1,163,888)	13,622,433 675,709 (955,764)
Net Cash Generated from Financing Activities	4,267,301	13,374,091	3,525,009	13,342,378
Net Increase/(Decrease) in Cash and Cash Equivalents Cash and Cash Equivalents at beginning of the Year	(1,782,022) 23,277,093	11,201,910 14,682,092	(1,782,032) 23,277,143	11,201,910 14,682,142
Cash and Cash Equivalents at end of the Period	21,495,071	25,884,002	21,495,111	25,884,052
Reconciliation of Cash and Cash Equivalents Cash and Cash Equivalents Placements with Banks and Finance Companies Government of Srl Lanka Treasury Bills/Bonds and Development Bonds Maturing within 03 Months Securities Purchased under Resale Agreements Maturing within 03 Months	7,727,667 2,539,572 2,685,759 8,542,073	7,771,321 - 10,257,785 7,854,896	7,727,707 2,539,572 2,685,759 8,542,073	7,771,371 - 10,257,785 7,854,896
	21,495,071	25,884,002	21,495,111	25,884,052

	Bank For the 06 months Ended 30th June		l 30th June	For the Q	Bank For the Quarter Ended 30th June			Group months Ended	30th June	Group For the Quarter Ended 30th June		
	2017	2016	Growth %	2017	2016 G	rowth %	2017	2016	Growth %	2017	2016	Growth %
Profit for the Period	1,805,365	1,754,983	2.87	939,185	1,034,727	(9.23)	2,309,982	1,749,006	32.07	1,486,285	1,071,425	38.72
Other Comprehensive Income/(Loss), Net of Tax Net Gain/(Loss) on Re-measuring Available-for-Sale Financial Assets	1,116,080	(1,544,690)	172.25	1,068,137	846,814	26.14	1,115,396	(1,546,550)	172.12	1,067,871	846,999	26.08
Other Comprehensive Income/(Loss) for the Period, Net of Taxes	1,116,080	(1,544,690)	172.25	1,068,137	846,814	26.14	1,115,396	(1,546,550)	172.12	1,067,871	846,999	26.08
Total Comprehensive Income/(loss) for the Period	2,921,445	210,293	1,289.23	2,007,322	1,881,541	6.68	3,425,378	202,456	1,591.91	2,554,156	1,918,424	33.14
Attributable to: Owners of the Parent Non-Controlling Interest	2,921,445	210,293	1,289.23	2,007,322	1,881,541	6.68	3,259,018 166,360	190,201 12,255	1,613.46 1,257.49	2,392,895 161,261	1,909,606 8,818	25.3° 1,728.7°
Total Comprehensive Income/(Loss) for the Period	2,921,445	210,293	1,289.23	2,007,322	1,881,541	6.68	3,425,378	202,456	1,591.91			33.1

n terms of Rule 7.4 of the Colombo Stock Exchange)		Bank			Group	
	As at 30.06.2017	As at 31.12.2016	Growth %	As at 30.06.2017	As at 31.12.2016	Grow
ssets						
ash and Cash Equivalents	7,727,667	8,336,143	(7.30)	7,727,707	8,336,193	(7.3
alances with Central Bank of Sri Lanka	16,726,226	16,211,618	3.17	16,726,226	16,211,618	3.1
acements with Banks and Finance Companies	2,539,572	334,230	659.83	2,539,572	334,230	659.8
erivative Financial Instruments	122,784	115,707	6.12	122,784	115,707	6.1
ther Financial Assets Held-for-Trading	3,551,157	9,060,416	(60.81)	3,557,115	9,066,980	(60.7
ecurities Purchased under Resale Agreements	8,542,073	7,317,022	16.74	8,542,073	7,317,022	16.7
ustomer Loans and Receivables	243,028,604	236,020,197	2.97	243,028,604	236,020,197	2.9
nancial Investments - Available-for-Sale	51,823,838	45,863,945	12.99	51,860,761	45,900,746	12.9
nancial Investments - Held-to-Maturity	22,019,406	18,412,060	19.59	22,032,326	18,479,155	19.2
vestment in Subsidiary	1,153,602	1,153,602	-	-	-	
oup Balances Receivable	30,000	30,102	(0.34)	_		
	4,250,124		, ,			(1.1
operty, Plant & Equipment		4,329,522	(1.83)	5,878,071	5,971,693	(1.5
asehold Rights	41,398	42,370	(2.29)	586,025	590,701	(0.7
vestment Properties				854,532	854,078	0.0
tangible Assets	367,546	262,112	40.22	367,546	262,112	40.2
ssets Held-for-Sale	-	-	-	-	226,827	(100.0
ther Assets	7,715,298	8,523,510	(9.48)	7,757,160	8,562,182	(9.4
tal Assets	369,639,295	356,012,556	3.83	371,580,502	358,249,441	3.7
abilities						
ue to Banks	25,835,441	17,728,293	45.73	25,835,441	17,728,293	45.7
erivative Financial Instruments	91,236	86,654	5.29	91,236	86,654	5.3
ustomer Deposits	280,165,744	273,456,344	2.45	280,165,744	273,456,344	2.4
ecurities Sold under Repurchase Agreements	12,367,029	15,976,518	(22.59)	12,367,029	15,976,518	(22.
ther Borrowings	22,065	21,249	3.84	22,065	21,249	3.8
roup Balances Payable	987,288	226,351	336.18			-
ebentures	12,494,007	12,493,645	-	12,494,007	12,493,645	
urrent Tax Liabilities	543,501	750,385	(27.57)	557,435	757,467	(26.4
eferred Tax Liabilities	342,696	11,874	2,786.10	409,138	70,959	476.5
ther Liabilities	6,519,137	7,488,961	(12.95)	6,582,866	7,572,848	(13.0
otal Liabilities	339,368,144	328,240,274	3.39	338,524,961	328,163,977	3.1
		020,210,211	0.00	000,024,001	020,100,011	
quity ated Capital	11,228,269	10,529,724	6.63	11,228,269	10,529,724	6.6
atutory Reserve Fund	1,387,964	1,387,964		1,387,964	1,387,964	
etained Earnings	14,741,967	14,050,233	4.92	15,334,714	14,304,925	7.2
ther Reserves	2,912,951	1,804,361	61.44	3,905,769	2,797,661	39.6
tal Shareholders' Equity	30,271,151	27,772,282	9.00	31,856,716	29,020,274	9.7
tal onarenouers Equity		21,112,202	3.00	31,000,710	23,020,214	3.1
on-Controlling Interest	-		<u> </u>	1,198,825	1,065,190	12.
tal Equity	30,271,151	27,772,282	9.00	33,055,541	30,085,464	9.8
tal Equity & Liabilities	369,639,295	356,012,556	3.83	371,580,502	358,249,441	3.7
entingent Liabilities and Commitments	95,440,464	64,110,695	48.87	95,507,464	64,184,994	48.8
		,,		,,	2 1,12 1,00	
emorandum Information						
umber of Employees	3,156	3,165	(0.28)	3,185	3,194	(0.2
umber of Banking Centres	166	166	-	166	166	
et Assets Value per Ordinary Share (Rs.)	85.40	80.51	6.07	89.87	84.13	6.8

	Current Period	Comparative Period
	01-April-17 to 30-June-17	01-April-16 t 30-June-16
Debt/Equity Ratio (Times)	0.41	0.30
Interest Cover (Times)	4.56	7.91
Quick Asset Ratio (Times)	0.76	0.74
2013/2018 Issue		
Market Prices during April to June (EX Interest)		
Annual Interest - 15.50% p.a. - Highest Price	*	118.26
- Lowest Price	*	102.69
- Last Traded Price */(13/06/2016)	*	102.69
Semi Annual Interest - 15.00% p.a.	*	*
Monthly Interest - 14.50% p.a.	*	*
Interest Yield As At Date of Last Trade		45.000
Annual Interest */(13/06/2016) Semi Annual Interest	*	15.09%
Monthly Interest	*	*
Yield to Maturity of Trade Done on		
Annual Interest */(13/06/2016)	*	13.47%
Semi Annual Interest	*	*
Monthly Interest	*	*
Interest Rate of Comparable Government Security	10.48%	11.02%
2014 Issue		
Market Prices during April to June (EX Interest)	*	*
4 Years Fixed Semi Annual - 8.00% p.a. 5 Years Fixed Semi Annual - 8.35% p.a.	*	*
5 Years Fixed Annual - 8.60% p.a.	*	*
6 Years Fixed Semi Annual - 8.60% p.a.	*	*
6 Years Fixed Annual - 8.75% p.a.	*	*
Interest Yield As At Date of Last Trade	*	*
Yield to Maturity of Trade Done on	*	*
Interest Rate of Comparable Government Security		
- 4 Years	10.70%	11.27%
- 5 Years	10.95%	11.51%
- 6 Years	11.29%	11.77%
2016 Issue		
Market Prices during April to June (EX Interest)	*	
5 Years Fixed Semi Annual - 13.00% p.a 5 Years Floating Semi Annual - 11.93% p.a.	*	
7 Years Fixed Semi Annual - 13.75% p.a	*	
Interest Yield As At Date of Last Trade	*	
Yield to Maturity of Trade Done on	*	
Interest Rate of Comparable Government Security		
- 5 Years	11.34%	
- 7 Years	11.59%	
* No Trading During The Period		

SELECTED PERFORMANCE INDICATORS				
	В	ANK	G	ROUP
	30.06.2017	31.12.2016	30.06.2017	31.12.2016
Regulatory Capital Adequacy				
Core Capital (Tier 1 Capital) Rs. '000	25,295,734	25,805,714	26,031,869	26,541,752
Total Capital Base Rs. '000	30,769,536	31,661,485	31,453,225	32,344,980
Core Capital Adequacy Ratio as a % of Risk Weighted Assets (Minimum Requirement 5%)	10.42	10.74	10.63	10.94
Total Capital Adequacy Ratio as a % of Risk Weighted Assets (Minimum Requirement 10%)	12.67	13.18	12.85	13.33
Assets Quality (Quality of Loan Portfolio)				
Gross Non-Performing Advances Ratio % (Net of Interest in Suspense)	5.16	4.47		
Net Non-Performing Advances Ratio % (Net of Interest in Suspense and Provision)	3.62	3.07		
Profitability Interest Margin % Return (Net Profit Before Tax) on Average Assets % Return on Equity %	3.98 1.37 12.55	4.19 1.76 15.18		
Regulatory Liquidity Statutory Liquid Assets Domestic Banking Unit Rs. '000 Offshore Banking Unit USD '000 Statutory Liquid Assets Ratio % (Minimum Requirement 20 %) Domestic Banking Unit Offshore Banking Unit	75,002,539 32,338 24.32 23.78	64,070,857 34,342 22,68 26,24		

- a) The above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka and where ever required provides additional disclosures to comply with Sri Lanka Accounting Standard - LKAS 34 - Interim Financial Reporting.
- b) The information contained in these statements have been extracted from the un-audited financial statements of the Bank & Group, which have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.

(Sgd.) Champika Dodanwela (Ms.) Chief Financial Officer July 31, 2017 Colombo

(Sgd.) Kapila Ariyaratne Director/Chief Executive Officer

(Sgd.) W. M. R. S. Dias **Chairman**

SEYLAN BANK PLC FINANCIAL STATEMENTS



10. ANALYSIS OF FINA	NCIAL INST	TRUMEN	TS BY A	MEASURE	MENT	BASIS _				Rs. '000
IOI ANALIOIO OI IINA	NOIAE ING		ank - 30.06.201			MOIO		Bank - 31.12.2016	<u> </u>	
	Held-for- Trading (HFT)	Held-to- Maturity (HTM)	Loans & Receivables (L&R)	Available- for-sale (AFS)	Total	Held-for- Trading (HFT)	Held-to- Maturity (HTM)	Loans & Receivables (L&R)	Available- for-sale (AFS)	Total
Assets										
Cash and Cash Equivalents	-	-	7,727,667	-	7,727,667	-	-	8,336,143	-	8,336,1
Balances with Central Bank of Sri Lanka	-	-	16,726,226	-	16,726,226	-	-	16,211,618	-	16,211,6
Placements with Banks and Finance Companies	-	-	2,539,572	-	2,539,572	-	-	334,230	-	334,2
erivative Financial Instruments	122,784	-	-	-	122,784	115,707	-	-	-	115,7
ther Financial Assets Held-for-Trading	3,551,157	-	-	-	3,551,157	9,060,416	-	-	-	9,060,4
ecurities Purchased under Resale Agreements	-	-	8,542,073	-	8,542,073	-	-	7,317,022	-	7,317,0
ustomer Loans and Receivables		-	243,028,604	-	243,028,604	-		236,020,197	-	236,020,1
nancial Investments - Available-for-Sale		_	-	51,823,838	51,823,838		_	-	45,863,945	45,863,9
inancial Investments - Held-to-Maturity		22,019,406			22,019,406	-	18,412,060		-10,000,010	18,412,0
roup Balances Receivable		-	30,000		30,000		- 10,112,000	30,102		30,1
Other Assets			5,504,834		5,504,834			5,712,285		5,712,2
otal Financial Assets	3,673,941	22,019,406	284,098,976	51,823,838	361,616,161	9,176,123	18,412,060	273,961,597	45,863,945	347,413,7
nui i iliuliolui Assotis										
	Held Tradin		Amortis	ea Cost	Total		l-for- g (HFT)	Amortise	ed Cost	Total
		, ,					,			
iabilities										
ue to Banks	-		25,835,441		25,835,441	-		17,728,293		17,728,2
erivative Financial Instruments	91,236		-		91,236	86,654		-		86,6
ustomer Deposits	-		280,165,744		280,165,744	-		273,456,344		273,456,3
ecurities Sold under Repurchase Agreements	-		12,367,029		12,367,029	-		15,976,518		15,976,5
ther Borrowings	-		22,065		22,065	-		21,249		21,2
ebentures	-		12,494,007		12,494,007	-		12,493,645		12,493,6
roup Balances Payable	-		987,288		987,288	-		226,351		226,3
urrent Tax Liabilities			543,501		543,501	-		750,385		750,3
ther Liabilities	-		5,184,782		5,184,782	-		5,959,234		5,959,2
otal Financial Liabilities	91,236		337,599,857		337,691,093	86,654		326,612,019		326,698,6
		C	roup - 30.06.201	7			C	roup - 31.12.2016	<u> </u>	
	Held-for-	Held-to-	Loans &	Available-	Total	Held-for-	Held-to-	Loans &	Available-	Total
	Trading (HFT)	Maturity (HTM)	Receivables (L&R)	for-sale (AFS)	iotai	Trading (HFT)	Maturity (HTM)	Receivables (L&R)	for-sale (AFS)	iotai
ssets										
ash and Cash Equivalents		- 1	7,727,707	-	7,727,707	-	-	8,336,193	-	8,336,1
alances with Central Bank of Sri Lanka	-	-	16,726,226	-	16,726,226	-	-	16,211,618	-	16,211,6
lacements with Banks and Finance Companies	-	-	2,539,572	-	2,539,572	-	-	334,230	-	334,2
erivative Financial Instruments	122,784	-	-	-	122,784	115,707	-	-	-	115,7
ther Financial Assets Held-for-Trading	3,557,115	-	-	-	3,557,115	9,066,980	-	-	-	9,066,9
ecurities Purchased under Resale Agreements	-	-	8,542,073	-	8,542,073	-	-	7,317,022	-	7,317,0
ustomer Loans and Receivables	-	-	243,028,604	-	243,028,604	-	-	236,020,197	-	236,020,1
nancial Investments - Available-for-Sale	-	-	-	51,860,761	51,860,761	-	-	-	45,900,746	45,900,7
nancial Investments - Held-to-Maturity	-	22,032,326	-	-	22,032,326	-	18,479,155	-	-	18,479,1
ther Assets		-	5,542,331		5,542,331	-	-	5,747,360	-	5,747,3
otal Financial Assets	3,679,899	22,032,326	284,106,513	51,860,761	361,679,499	9,182,687	18,479,155	273,966,620	45,900,746	347,529,2
	Held		Amortis	ed Cost	Total		i-for-	Amortise	ed Cost	Total
	Trading	g (HFT)				Tradin	g (HFT)			
iabilities										
ue to Banks			25,835,441		25,835,441	-		17,728,293		17,728,2
	91 236		20,000,111		91 236	86 654		,. 20,200		86.6

9. SEGMENT REPORTING - G	ROUP								F	rs. '000
	BANK	ING	TREAS	SURY	PROPERTY/IN	VESTMENTS	UNALLOCATED/	ELIMINATIONS	T01	ΓAL
	30.06.2017	30.06.2016	30.06.2017	30.06.2016	30.06.2017	30.06.2016	30.06.2017	30.06.2016	30.06.2017	30.06.2016
		10.000.505				45.005	4 450 000			
Interest Income	17,789,183	12,638,597	1,738,869	1,458,920	24,255	15,935	1,159,938	811,715	20,712,245	14,925,167
Interest Expense	11,907,461	7,989,488	1,533,989	780,583	92	483	(18,839)	(7,961)	13,422,703	8,762,593
Net Interest Income	5,881,722	4,649,109	204,880	678,337	24,163	15,452	1,178,777	819,676	7,289,542	6,162,574
Fee and Commission Income	1,843,010	1,487,791	826	807	0.004	0.700	164	29	1,844,000	1,488,627
Fee & Commission Expenses Net Fee and Commission Income	50,957 1,792,053	39,621 1,448,170	19,486 (18,660)	17,028	3,361	2,703	89 75	- 00	73,893 1,770,107	59,352 1,429,275
Net Trading Income	1,792,053	1,440,170	165,271	(16,221) (201,844)	(3,361)	(400)	75	29	1,770,107	(202,244)
Net Gain from Financial Investments	-		242,915	30,525	(901)	(400)	-		242,915	30,525
Net Exchange Income	79,450	129,939	262,975	328,473	-		37,672	16,655	380,097	475,067
Other Operating Income (Net)	79,450	(5,775)	7,490	104,883	153,924	114,446	424,022	86,878	593,038	300,432
Inter Segments Revenue	(117,432)	(134,775)	80,608	97,355	100,924	114,440	36,824	37,420	090,000	300,432
Total Operating Income	7,643,395	6,086,668	945,479	1,021,508	173,825	126,795	1,677,370	960,658	10,440,069	8,195,629
Depreciation and Amortisation	219,199	195,263	578	632	392	850	136,626	113,302	356,795	310.047
Impairment for Loans and Other Losses - Charges/(Reversal)	1,201,097	312,573	-	-	-	-	(24,118)	- 110,002	1,176,979	312,573
Operating Expenses NBT & VAT	4,659,276	3,812,290	179,466	170,142	39,548	45,335	995,030	977,064	5,873,320	5,004,831
Reportable Segment Profit Before Income Tax	1,563,823	1,766,542	765,435	850,734	133,885	80,610	569,832	(129,708)	3,032,975	2,568,178
OTHER INFORMATION										
OTHER INI OTHER TON										
Total Assets	240,481,654	203,380,897	104,365,555	99,937,713	5,338,143	4,998,503	21,395,150	20.098,957	371,580,502	328,416,070
Total Liabilities & Equity	290,060,431	250,963,996	37,431,021	38,460,859	5,338,143	4,998,503	38,750,907	33,992,712	371,580,502	328,416,070
Cash Flows from Operating Activities	31,496	(2,147,454)	766,013	851,366	45,388	48,619	232,879	73,175	1,075,776	(1,174,294)
Cash Flows from Investing Activities	(148,469)	(623,845)	(6,836,952)	(530,670)	56,357	17,510	546,247	170,831	(6,382,817)	(966,174)
Cash Flows from Financing Activities	, ,,,,,,,	,,	5,390,634	14,303,658	(110,974)	(88,779)	(1,754,651)	(872,501)	3,525,009	13,342,378
Capital Expenditure	(148,188)	(238,083)	(281)	-	(5,319)	(2,464)	(210,599)	(157,376)	(364,387)	(397,923)
CTATEMENT OF CHANCES IN	FOULTV	DANIV								- 1000

280,165,744 12,367,029 22,065

12,494,007 557,435

5,254,339

336,696,060

91,236 280,165,744 12,367,029

12,494,007 557,435

5,254,339

336,787,296

22,065

86,654

273,456,344 15,976,518 21,249

12,493,645 757,467 5,975,172

326,408,688

91,236

91,236

Derivative Financial Instruments

Current Tax Liabilities

Total Financial Liabilities

Other Liabilities

Customer Deposits
Securities Sold under Repurchase Agreements
Other Borrowings

	Stated	Capital	Statutory	Retained		Reserves		_
For the Six Months ended 30th June	Ordinary Shares Voting	Ordinary Shares Non-Voting	Reserve Fund	Earnings	Revaluation Reserve	Available for Sale Reserve	Other Reserves	Tota
1 Balance as at 01st January 2016	6,962,722	3,567,002	1,187,441	11,125,666	651,483	(468,826)	2,030,189	25,055,67
Total Comprehensive Income for the Period								
Profit for the Period		-	-	1,754,983	-		-	1,754,98
Other Comprehensive Income (net of tax)								
- Net Loss on Re-measuring Available-for-Sale Financial Assets	-	-	-	-	-	(1,544,690)	-	(1,544,69
2 Total Comprehensive Income for the Period	•			1,754,983		(1,544,690)		210,29
Transactions with Equity Holders, Recognised Directly In Equity								
Dividends to Equity Holders				(948,641)				(948,64
Transferred from Investment Fund Reserve		-	-	4,364	-		(4,364)	
3 Total Transactions with Equity Holders	-			(944,277)			(4,364)	(948,64
Balance as at 30th June 2016 (1 + 2 + 3)	6,962,722	3,567,002	1,187,441	11,936,372	651,483	(2,013,516)	2,025,825	24,317,32
1 Balance as at 01st January 2017	6,962,722	3,567,002	1,387,964	14,050,233	1,474,482	(1,691,584)	2,021,463	27,772,28
Total Comprehensive Income for the Period								
Profit for the Period	-	-	-	1,805,365	-	-	-	1,805,36
Other Comprehensive Income (net of tax)								
- Net Loss on Re-measuring Available-for-Sale Financial Assets	-	-	-	-	-	1,116,080	-	1,116,08
2 Total Comprehensive Income for the Period	-			1,805,365		1,116,080		2,921,44
Transactions with Equity Holders, Recognised Directly In Equity								
Cash/Scrip Dividends to Equity Holders	356,354	342,191	-	(1,121,121)	-	-	-	(422,57
Transferred from Investment Fund Reserve	-	-	-	7,490	-	-	(7,490)	
3 Total Transactions with Equity Holders	356,354	342,191		(1,113,631)			(7,490)	(422,57
Balance as at 30th June 2017 (1 + 2 + 3)	7,319,076	3,909,193	1,387,964	14,741,967	1,474,482	(575,504)	2,013,973	30,271,15

	Stated	Capital	Statutory	Retained		Reserves			
For the Six Months ended 30th June	Ordinary Shares Voting	Ordinary Shares Non-Voting	Reserve Fund		Revaluation Reserve	Available for Sale Reserve	Other Reserves	Total	Non- Controlling Interest
1 Balance as at 01st January 2016	6,962,722	3,567,002	1,187,441	11,376,269	1,378,783	(469,879)	2,285,402	26,287,740	1,067,194

STATEMENT OF CHANGES IN EQUITY - GROUP

Balance as at 30th June 2017 (1 + 2 + 3)

_											
1	Balance as at 01st January 2016	6,962,722	3,567,002	1,187,441	11,376,269	1,378,783	(469,879)	2,285,402	26,287,740	1,067,194	27,354,934
	Total Comprehensive Income for the Period										
	Profit for the Period				1 700 001				1 700 001	12.805	1 740 000
		-	-		1,736,201	-	-	-	1,736,201	12,605	1,749,006
	Other Comprehensive Income (net of tax)						(4.540.000)		(4.540.000)	(550)	(4.540.550)
_	- Net Loss on Re-measuring Available-for-Sale Financial Assets	-				-	(1,546,000)	-	(1,546,000)	(550)	(1,546,550)
2	Total Comprehensive Income for the Period				1,736,201	•	(1,546,000)		190,201	12,255	202,456
	Transactions with Equity Holders, Recognised Directly In Equity										
	Dividends	-	-	-	(948,641)	-	-	-	(948,641)	(26,180)	(974,821)
	Transferred from Investment Fund Reserve	-	-	-	4,364	-	-	(4,364)	-	-	-
	Changes in Ownership Interest in Subsidiary										
	Acquisition of Non-Controlling Interest without Change in Control	-	-	-	1,021	-	-	-	1,021	(2,694)	(1,673)
3	Total Transactions with Equity Holders	-	-	-	(943,256)	-	-	(4,364)	(947,620)	(28,874)	(976,494)
_	Balance as at 30th June 2016 (1 + 2 + 3)	6,962,722	3,567,002	1,187,441	12,169,214	1,378,783	(2,015,879)	2,281,038	25,530,321	1,050,575	26,580,896
1	Balance as at 01st January 2017	6,962,722	3,567,002	1,387,964	14,304,925	2,214,050	(1,693,065)	2,276,676	29,020,274	1,065,190	30,085,464
	Total Comprehensive Income for the Period										
	Profit for the Period	-	-	-	2,143,420	-	-	-	2,143,420	166,562	2,309,982
	Other Comprehensive Income (net of tax)										
_	- Net Loss on Re-measuring Available-for-Sale Financial Assets	-	-	-	-	-	1,115,598	-	1,115,598	(202)	1,115,396
2	Total Comprehensive Income for the Period	•	•		2,143,420	•	1,115,598	-	3,259,018	166,360	3,425,378
	Transactions with Equity Holders, Recognised Directly In Equity										
	Cash/Scrip Dividends	356.354	342,191	_	(1.121.121)	-	-		(422,576)	(32,725)	(455,301)
	Transferred from Investment Fund Reserve	-	,		7,490	_	_	(7,490)	,,		-
	Changes in Ownership Interest in Subsidiary				7,100			(7,100)			
	Acquisition of Non-Controlling Interest without Change in Control	_	_	_	_	_	_	_	_		_
3	Total Transactions with Equity Holders	356,354	342,191		(1,113,631)	-		(7,490)	(422,576)	(32,725)	(455,301)
•		000,004	O-TE, 131		(1,110,001)			(1,430)	(422,070)	(02,120)	(400,001)

3,909,193 1,387,964 15,334,714 2,214,050

7,319,076

* Statutory Reserve Fund represents the statutory requirement in terms of the Section 20(1) and (2) of the Banking Act No. 30 of 1988 (5% of net profit after tax).

EXPLANATORY NOTES

1. General

There are no changes to the accounting policies and methods of computation since the publication of the last Annual Report. The Interim Financial Statements of the Bank and the Group have been prepared & presented in accordance with the Sri Lanka Accounting Standards (LKAS/SLFRS) and provided necessary disclosure to comply with LKAS 34, Interim Financial Reporting. The Interim Financial Statements have been prepared in accordance with LKAS / SLFRS.

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

2. Information on Ordinary Shares

MARKET PRICE (Rs.)	30/0	6/2017	30/06/2016		
	Voting	Non-Voting	Voting	Non-Voting	
Market Price Per Share	93.50	60.80	89.00	62.00	
Highest price per share during the quarter ended	96.00	61.90	97.80	71.90	
Lowest price per share during the quarter ended	88.00	52.60	83.00	60.10	

3. Shareholders' Information

3.1	Twenty Largest Ordinary Voting Shareholders as at June 30, 2017			
	, , , , , , , , , , , , , , , , , , , ,		No. of Shares	%
1	Sri Lanka Insurance Corporation Ltd.			
	[includes Sri Lanka Insurance Corporation Ltd. (General Fund) 17,961,365			
	and Sri Lanka Insurance Corporation Ltd. (Life Fund) -8,980,682]		26,942,047	15.00
2	Brown & Company PLC A/C No. 01		24,921,279	13.87
3	Employees Provident Fund		17,705,441	9.86
4	LOLC Investments Ltd.		17,155,820	9.55
5	National Development Bank PLC A/C No. 02		15,671,043	8.72
6	Bank of Ceylon No. 01 Account		13,471,025	7.50
7	Mr. R.S. Captain		10,596,300	5.90
8	Mr. S.E. Captain		3,628,558	2.02
9	Employees Trust Fund Board		3,240,747	1.80
10	Seyfest (Private) Limited		3,080,300	1.71
11	Sesot (Private) Limited		2,326,134	1.30
12	Seybest (Private) Limited		2,210,179	1.23
13	Seyshop (Private) Limited		2,210,179	1.23
14	Esots (Private) Limited		2,192,519	1.23
15	Lanka Century Investments PLC		2,122,122	1.18
16	Capital Development and Investment Company PLC A/C No. 02			1.10
17	AIA Insurance Lanka PLC A/C No. 07		1,819,258	0.92
			1,652,155	
18	Ms. L.A. Captain		1,176,011	0.65
19	Mr. K.R.B. Fernando		1,036,232	0.58
20	Sotse (Private) Limited		997,198	0.56
3.2	Twenty Largest Ordinary Non-Voting Shareholders as at June 30, 2017		No. of Shares	%
	Lauta Orbat and a Communication			
1 2	Lanka Orix Leasing Company Plc Employees Provident Fund		76,812,865 9.326,028	43.93 5.33
3	Akbar Brothers Pvt Ltd A/C No. 01 Deutsche Bank AG As Trustee For JB Vantage Value Equity Fund		3,240,099 3,229,262	1.85 1.85
4 5	Pershing LLC S/A Averbach Grauson & Co		3,229,262	1.80
6	Mr. E. Thavagnanasooriyam & Mr E Thawagnasundaram.		2,691,854	1.54
7	Commercial Bank Of Ceylon Plc/Dunamis Capital Plc		2,671,829	1.53
8	J.B. Cocoshell (Pvt) Ltd.		2,257,190	1.29
9	Merrill J Fernando & Sons (Pvt) Limited		1,942,143	1.11
10	Employees Trust Fund Board		1,940,684	1.11
11	Mr. N. Balasingam		1,823,813	1.04
12	Lanka Orix Information Technology Services Ltd.		1,522,613	0.87
13	Deutsche Bank AG-National Equity Fund		1,296,721	0.74
14	Deutsche Bank AG-As Trustee For Namal Acuity Value Fund		1,189,875	0.68
15	Dr. S. Yaddehige		1,164,008	0.67
16	HSBC International Nominees Ltd-SSBT-Deustche Bank AG Singapore A/C 01		888,352	0.51
17	Mr. M.J. Fernando		879,473	0.50
18	Mr. R. Gautam		874,574	0.50
19	Mr. A.P. Somasiri		852,054	0.49
20	Miss S. Durga		813.055	0.47
			3.0,000	0.47
3.3	Public Holdings as at June 30, 2017	Number of Share Holders	Percentage Holdings	
	Ordinary Voting Shares	9,130	54.29%	
	Ordinary Non-Voting Shares	6,780	55.94%	
	• • • • • • • • • • • • • • • • • • • •			

Directors' and Chief Executive Officer's Shareholdings as at June 30, 2017

	Mr. W.M.R.S. Dias Non-Executive Director/Chairman Mr. I.C. Nanayakkara, Non-executive Director/Deputy Chairman Mr. I.C. Netersz, Independent Director /Senior Director Mr. K.P. Artyarathe, Director/Chief Executive Officer Rear Admiral B.A.J.G. Peiris, Independent Director Mr. S.P.S. Ranatunga, Independent Director Mr. W.D.K. Jayawardena, Non-executive Director Mr. P.L.S.K. Perera, Independent Director Mr. S.V. Crea, Non-executive Director Mr. S.V. Crea, Non-executive Director Mr. A.S. Wijesinha, Independent Director Mr. S.S. K. Salgado, Independent Director Mrs. S.K. Salgado, Independent Director	No. of Shares (Ordinary Voting) Nii Nii Nii 37,275 Nii Nii Nii Nii Nii Nii Nii Nii Nii Ni	No. of Shares (Ordinary Non-voting) Nii Nii 139,681 Nii Nii Nii Nii Nii Nii Nii Nii Nii Ni
5.	Stated Capital as at June 30, 2017 33,560,000 Voting Ordinary Shares @ Rs. 10/- each 4,000,000 Voting Ordinary Shares @ Rs. 25/- each 92,440,000 Voting Ordinary Shares @ Rs. 25/- each 92,440,000 Voting Ordinary Shares @ Rs. 55/- each 4,644,088 Voting Ordinary Shares @ Rs. 55/- each 43,333,333 Voting Ordinary Shares @ Rs. 75/- each 8,356,268 Voting Ordinary Shares @ Rs. 75/- each 83,560,000 Non-Voting Ordinary Shares @ Rs. 12/50 each 40,000,000 Non-Voting Ordinary Shares @ Rs. 25/- each 45,423,009 Non-Voting Ordinary Shares @ Rs. 35/- each 5,859,428 Non Voting Ordinary Shares @ Rs. 58/40 each Less: Issue Expenses Total		Rs. '000 335,600 100,000 3,235,400 156,000 3,255,000 356,354 1,044,500 1,000,000 1,589,805 342,191 (181,581)

86,654 273,456,344 15,976,518

21,249

12,493,645 757,467 5,975,172

326,495,342

Basic Earnings per share has been calculated by dividing profit after tax attributable to the equity holders of the Bank by the weighted average number of shares in issue (both Voting & Non- voting) during the six months ended June 30, 2017. Diluted Earnings per Share and the Basic Earnings per Share is the same due to non- availability of potentially dilutive ordinary shares.

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

Comparative figures have been re-stated/re-classified where necessary, to conform to the current period presentation.

During the quarter there were no material changes in Contingent Liabilities, composition of Assets and Liabilities and use of funds raised by the Bank.

All known expenditure items have been provided for in these Interim Accounts.

A	DDITIONAL DISCLOSURES				Rs. '000
		BANK		GROUP	
11	Customer Loans and Receivables	As at 30.06.2017	As at 31.12.2016	As at 30.06.2017	As at 31.12.2016
	Gross Loans and Receivables (Refer 11.1)	249,805,507	242,073,182	249,805,507	242,073,182
	Less: Individual Impairment	(3,069,690)	(2,420,888)	(3,069,690)	(2,420,88
	Collective Impairment	(3,707,213)	(3,632,097)	(3,707,213)	(3,632,09
	Net Loans and Receivables	243,028,604	236,020,197	243,028,604	236,020,19
	Customer Loans and Receivables - By product				
y pi	roduct - Domestic Currency				
	Export Bills	36,303	119,573	36,303	119,57
	Import Bills	481,354	147,802	481,354	147,80
	Local Bills	65,427	142,892	65,427	142,89
	Lease Rentals Receivable	14,888,638	14,685,690	14,888,638	14,685,69
	Overdrafts	63,236,888	59,276,447	63,236,888	59,276,44
	Revolving Import Loans	7,801,988	8,408,394	7,801,988	8,408,39
	Trust Receipts Loans	1,346,487	1,949,259	1,346,487	1,949,25
	Staff Loans	6,096,144	5,521,128	6,096,144	5,521,12
	Housing Loans	12,679,755	12,477,818	12,679,755	12,477,81
	Pawning Receivables	9,333,624	9,609,406	9,333,624	9,609,40
	Refinance Loans	1,746,485	1,995,107	1,746,485	1,995,10
	Credit Cards	4,380,192	3,803,627	4,380,192	3,803,62
	Margin Trading	2,340,905	2,658,052	2,340,905	2,658,05
	Factoring	912,433	445,452	912,433	445,45
	Term Loans	105,136,992	101,864,248	105,136,992	101,864,24
	Total	230,483,615	223,104,895	230,483,615	223,104,89
y pı	roduct - Foreign Currency				
	Export Bills	1,555,174	1,638,602	1,555,174	1,638,60
	Import Bills	351,081	97,213	351,081	97,21
	Local Bills	50,467	79,037	50,467	79,03
	Overdrafts	715,888	799,936	715,888	799,93
	Revolving Import Loans	330,190	659,811	330,190	659,81
	Housing Loans	63,311	37,594	63,311	37,59
	Term Loans	16,255,781	15,656,094	16,255,781	15,656,09
	Total	19,321,892	18,968,287	19,321,892	18,968,28
iros	s Loans and Receivables	249,805,507	242,073,182	249,805,507	242,073,18

Overdrafts	715,888	799,936	715,888	799,936
Revolving Import Loans	330,190	659.811	330,190	659,811
Housing Loans	63,311	37.594	63,311	37.594
Term Loans	16.255.781	15,656,094	16.255.781	15.656.094
Total	19,321,892	18,968,287	19,321,892	18,968,287
Gross Loans and Receivables	249,805,507	242,073,182	249.805.507	242,073,182
aroo zouro ura riosoriumo	2 10,000,001	212,010,102	210,000,007	212,010,102
11.2 Movements in Individual and Collective Impairment during the period for Cu	stomer Loans and R	eceivables		
	Bank		Group	
	2017	2016	2017	2016
	(For 06 Months)	(For 12 Months)	(For 06 Months)	(For 12 Months)
Individual Impairment				
Opening Balance as at 01st January	2,420,888	2,019,537	2,420,888	2,019,537
Charge/(Write back) to Income Statement	938,180	931,597	938,180	931,597
Reversal for Write-Offs	(145,070)	(239,426)	(145,070)	(239,426)
Interest Accrued on Impaired Loans and Receivables	(160,288)	(290,820)	(160,288)	(290,820)
Transfer from Collective Impairment	15,980	-	15,980	-
Closing Balance as at 30th June 2017	3,069,690		3,069,690	
as at 31st December 2016		2,420,888		2,420,888
Collective Impairment				
Opening Balance as at 01st January	3,632,097	3,718,492	3,632,097	3,718,492
Charge/(Write back) to Income Statement	230,336	38,005	230,336	38,005
Reversal for Write-Offs	(139,240)	(124,400)	(139,240)	(124,400)
Transfer to Individual Impairment	(15,980)	-	(15,980)	-
Closing Balance as at 30th June 2017	3,707,213		3,707,213	
as at 31st December 2016		3,632,097		3,632,097
Total Impairment	6,776,903	6,052,985	6,776,903	6,052,985
	Bank		Group	
12 Customer Deposits - By product	As at	As at	As at	As at
12 Customer Deposits - by product	30.06.2017	31.12.2016	30.06.2017	31.12.2016
By product - Domestic Currency	00.00.2017	31.12.2010	30.00.2017	31.12.2010
Demand deposits	15,293,003	18,436,538	15,293,003	18,436,538
Savings deposits	60,408,096	57,385,770	60,408,096	57,385,770
Fixed deposits	172,391,860	166,813,373	172,391,860	166,813,373
Certificate of deposits	3.544.014	4,068,366	3,544,014	4,068,366
		,,	-7- 7-	7,
Total	251,636,973	246,704,047	251,636,973	246,704,047
By product - Foreign Currency				
Demand deposits	3,666,638	3,210,023	3,666,638	3,210,023
Savings deposits	9,147,054	9,894,796	9,147,054	9,894,796
Fixed deposits	15,715,079	13,647,478	15,715,079	13,647,478
Total	28,528,771	26,752,297	28,528,771	26,752,297
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Total Customer Deposits	280,165,744	273,456,344	280,165,744	273,456,344

(577,467) 2,269,186 31,856,716 1,198,825 33,055,541