SEYLAN BANK PLC FINANCIAL STATEMENTS Year ended 31st December, 2018



(In terms of Rule 7.4 of the Colombo Stock Exchange)		Bank			Ban	k		Group			Group)
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	F	or the Year Ei	nded	F	or the Quart	er Ended	F	or the Year End	led	F	or the Quarte	r Ended
	31st December		31st December		31st December			31st December				
	2018	2017	Growth	2018	2017	Growth	2018	2017	Growth	2018	2017	Growth
	(Audited)	(Audited)	%			%	(Audited)	(Audited)	%			%
nterest income	49,229,214	43,548,912	13.04	13,602,628	11,517,363	18.11	49,230,380	43,554,949	13.03	13,604,362	11,518,301	18.11
Less: Interest expenses	31,482,218	28,057,779	12.20	8,868,347	7,402,617	19.80	31,440,293	27,979,949	12.37	8,863,682	7,373,397	20.21
Net interest income	17,746,996	15,491,133	14.56	4,734,281	4,114,746	15.06	17,790,087	15,575,000	14.22	4,740,680	4,144,904	14.37
ee and commission income	4,252,240	3,952,760	7.58	1,161,871	1,092,751	6.33	4,251,808	3,952,557	7.57	1,161,682	1,092,594	6.32
ess: Fee and commission expenses	198,273	164,619	20.44	55,868	57,730	(3.23)	202,810	170,553	18.91	57,099	58,803	(2.90
let fee and commission income	4,053,967	3,788,141	7.02	1,106,003	1,035,021	6.86	4,048,998	3,782,004	7.06	1,104,583	1,033,791	6.8
let gains/(losses) from trading/Net fair value gains/(losses) from financial instruments at												
fair value through profit or loss	961,832		2,571.88	344,352		1,329.17	961,634	(40,103)	2,497.91	344,483	(28,107)	1,325.6
Net gains/(losses) from derecognition of financial assets		358,636	(85.52)	(4,536)	27,766	(116.34)	51,936	358,636	(85.52)	(4,536)	27,766	(116.3
Net other operating income	377,308	1,339,879	(71.84)	53,378	433,254	(87.68)	348,835	1,870,317	(81.35)	44,706	455,067	(90.1
otal operating income	23,192,039	20,938,878	10.76	6,233,478	5,582,772	11.66	23,201,490	21,545,854	7.68	6,229,916	5,633,421	10.5
mpairment charges	3,475,186	1,504,696	130.96	1,551,712	64,656	2,299.95	3,475,195	1,504,696	130.96	1,551,721	64,656	2,299.9
let operating income	19,716,853	19,434,182	1.45	4,681,766	5,518,116	(15.16)	19,726,295	20,041,158	(1.57)	4,678,195	5,568,765	(15.9
Personnel expenses	5,782,333	5,195,863	11.29	1,433,269	1,242,550	15.35	5,816,527	5,228,790	11.24	1,439,114	1,248,856	15.23
Depreciation and amortisation	745,823	695,694	7.21	194,943	181,919	7.16	809,868	743,417	8.94	211,190	194,549	8.5
Other expenses	5,274,384	4,990,968	5.68	1,288,923	1,257,775	2.48	5,164,715	4,899,055	5.42	1,244,775	1,238,246	0.5
Operating profit before Additional gratuity expense	7,914,313	8,551,657	(7.45)	1,764,631	2,835,872	(37.77)	7,935,185	9,169,896	(13.46)	1,783,116	2,887,114	(38.2
Additional gratuity expense	1,134,771	-	-	1,134,771	-	-	1,134,771	-	-	1,134,771	-	
Operating profit before taxes	6,779,542	8,551,657	(20.72)	629,860	2,835,872	(77.79)	6,800,414	9,169,896	(25.84)	648,345	2,887,114	(77.5
/alue added tax on financial services	1,675,346	1,672,241	0.19	366,302	526,383	(30.41)	1,675,346	1,662,008	0.80	374,093	543,653	(31.19
Nation building tax on financial services	223,380	222,965	0.19	48,841	70,184	(30.41)	223,380	222,965	0.19	53,329	52,914	0.7
Debt repayment levy	214,564	-	-	214,564	-	-	214,564	-	-	214,564	-	
rofit before income tax	4,666,252	6,656,451	(29.90)	153	2,239,305	(99.99)	4,687,124	7,284,923	(35.66)	6,359	2,290,547	(99.7
ncome tax expense	1,477,046	2,226,053	(33.65)	(50,707)	811,181	(106.25)	1,536,268	2,281,292	(32.66)	(43,988)	828,220	(105.3
Profit for the period	3,189,206	4,430,398	(28.02)	50,860	1,428,124	(96.44)	3,150,856	5,003,631	(37.03)	50,347	1,462,327	(96.5
quity Holders of the Bank	3,189,206	4,430,398	(28.02)	50,860	1,428,124	(96.44)	3,137,243	4,816,834	(34.87)	46,876	1,452,240	(96.7
Ion-controlling interest	-		-	-		-	13,613	186,797	(92.71)	3,471	10,087	(65.5
Profit for the period	3,189,206	4,430,398	(28.02)	50,860	1,428,124	(96.44)	3,150,856	5,003,631	(37.03)	50,347	1,462,327	(96.5
asic/Diluted earnings per ordinary share (Rs.)	8.71	12.10	(28.02)	0.14	3.90	(96.44)	8.57	13.16	(34.87)	0.13	3.97	(96.7
Basic/Diluted earnings per share excluding												
Additional gratuity expense (Rs.)	10.94	12.10	(9.59)	2.37	3.90	(39.23)	10.80	13.16	(17.93)	2.36	3.97	(40.5

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CASH FLOW STATEMENT (Audited)				Rs. '000
•	BAI	NK	GROU	P
For the Year ended 31st December	2018	2017	2018	2017
Cash Flows from Operating Activities				
Interest receipts	46,871,290	42,125,061	46,872,456	42,131,098
Interest payments	(28,162,777)	(24,790,205)	(28,139,546)	(24,728,125)
Net commission receipts	4,053,967	3,788,141	4,048,998	3,782,004
Trading income	79,954	20,309	79,756	20,309
Payments to employees	(5,973,776)	(5,075,388)	(6,008,216)	(5,108,861)
VAT & NBT on financial services & DRL Receipts from other operating activities	(2,258,810) 1,596,098	(1,768,491) 2,346,937	(2,258,810) 1,686,424	(1,768,491) 2,427,052
Payments on other operating activities	(5,213,731)	(4,963,834)	(5,095,557)	(4,904,323)
Operating profit before changes in operating assets and liabilities	10,992,215	11,682,530	11,185,505	11,850,663
(Increase)/decrease in operating assets:				
Balances with Central Bank of Sri Lanka	647,568	(2,908,225)	647,568	(2,908,225)
Financial assets at amortised cost - loans & advances	(48,243,676)	(45,762,794)	(48,243,676)	(45,762,794)
Other Assets	(1,745,640)	815,361	(1,740,419)	816,293
Increase/(decrease) in operating liabilities: Financial liabilities at amortised cost - due to depositors	48.740.109	31,865,319	48.740.109	31.865.319
Financial liabilities at amortised cost - due to depositors Financial liabilities at amortised cost - due to debt securities holders	4,463,652	665,351	4,463,652	665,351
Financial liabilities at amortised cost - due to other borrowers	9,622	1,147	9,622	1,147
Other Liabilities	(1,246,270)	(877,016)	(360,964)	(1,769,039)
Due to banks	(674,191)	9,324,679	(674,191)	9,324,679
Cash generated from operating activities before income tax	12,943,389	4,806,352	14,027,206	4,083,394
Income tax paid	(1,690,523)	(1,039,353)	(1,715,678)	(1,051,018)
Net cash generated from operating activities	11,252,866	3,766,999	12,311,528	3,032,376
Cook flavor from investing activities				
Cash flows from investing activities Purchase of property, plant & equipment	(870,778)	(667,809)	(887,614)	(690,436)
Improvements to investment properties	(0/0,//0)	(600,100)	(4,246)	(7,538)
Proceeds from sale of property, plant & equipment	972,594	13,311	38,795	761,569
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	(3,733,611)	(9,321,771)	(3,733,611)	(9,321,771)
Net proceeds from sale, maturity and purchase of financial investments of shares and debentures	338,335	938,396	289,640	1,042,315
Reverse repurchase agreements maturing after three months Net purchase of intangible assets	2,248	(7,209)	2,248	(7,209)
Net cashflow from acquisition of investment in subsidiaries	(332,855)	(193,775)	(332,855)	(193,775)
Net cashflow from disposal of subsidiaries			_	
Dividend received from investment in subsidiaries	84,509	70,424		
Dividend received from other investments	41,641	43,570	41,641	43,570
Net cash used in investing activities	(3,497,917)	(9,124,863)	(4,586,002)	(8,373,275)
Cook House from financing activities				
Cash flows from financing activities Net proceeds from the issue of ordinary share capital			_	
Net proceeds from the issue of other equity instruments	-		-	-
Net proceeds from the issue of subordinated debt	6,234,000		6,134,000	
Repayment of subordinated debt	(2,462,280)	-	(2,312,280)	
Interest paid on subordinated debt	(1,320,046)	(979,400)	(1,309,155)	(971,650)
Interest paid on un-subordinated debt Dividend paid to non-controlling interest	(438,365)	(439,276)	(430,562)	(431,276) (32,725)
Dividend paid to non-controlling interest Dividend paid to shareholders of the bank	(440,436)	(426,702)	(440,436)	(426,702)
Dividend paid to holders of other equity instruments	(440,430)	(420,702)	(440,430)	(420,702)
Net cash (used in)/generated from financing activities	1,572,873	(1,845,378)	1,602,296	(1,862,353)
Not ingresses (degrees) in each and each equivalents	9,327,822		9,327,822	(7,203,252)
Net increase/(decrease) in cash and cash equivalents Cash and cash equivalents at beginning of the year	16,073,851	(7,203,242) 23,277,093	16,073,891	23,277,143
Cash and cash equivalents at end of the Year	25,401,673	16,073,851	25,401,713	16,073,891
	20,101,010	10,070,001	20,101,110	10,010,001
Reconciliation of cash and cash equivalents	10 500 457	0.040.004	10 500 407	0.040.404
Cash and cash equivalents Placements with banks and finance companies	12,598,457	8,319,384 1,455,115	12,598,497	8,319,424 1,455,115
Government of Sri Lanka Treasury Bills/Bonds and Development Bonds maturing within 03 months	7,346,010	4,555,706	7,346,010	4,555,706
Securities purchased under resale agreements maturing within three months	5,457,206	1,743,646	5,457,206	1,743,646
	25,401,673	16,073,851	25,401,713	16,073,891

(In terms of Rule 7.4 of the Colombo Stock Exchange)												
	F II W	Bank		5. II. O. I	Bank			Group		F II . O	Group	
		r Ended 31st		For the Quarter	Ended 31st			r Ended 31st De		For the Quar		
	2018 (Audited)	2017 (Audited)	Growth %	2018	2017	Growth %	2018 (Audited)	2017 (Audited)	Growth %	2018	2017	Growt %
Profit for the period	3,189,206	4,430,398	(28.02)	50,860	1,428,124	(96.44)	3,150,856	5,003,631	(37.03)	50,347	1,462,327	(96.55
Other comprehensive income/(loss), net of tax Items that will be reclassified to income statement												
Net Movement of Cash Flow Hedge Reserve Net gains/(losses) on investments in debt instruments	35,906	(7,366)	587.46	1,332	49,772	(97.32)	35,906	(7,366)	587.46	1,332	49,772	(97.32
measured at fair value through other comprehensive income	(1,105,151)			(1,105,151)		1	(1,109,359)			(1,109,359)		
Net gain/(loss) on re-measuring of available-for-sale financial assets		2,636,992	(127.95)	546,780	132,680	(243.32)		2,639,217	(128.08)	546,780	132,680	(246.50
Items that will not be reclassified to income statement			1			1			1			
Change in fair value on investments in equity instruments	000 000		1	000.000		1	000.000			000.000		
measured at fair value through other comprehensive income Revaluation of property, plant and equipment	368,208		,	368,208		,	368,208 101,159	(20,329)	597.61	368,208 101,159	(20,329)	597.6
eferred tax on revaluation surplus of land	-	(231,989)	100.00		(231,989)	100.00	-	(231,989)	100.00	-	(231,989)	100.0
Actuarial gain on defined benefit obligations	84,326	28,182	199.22	84,326	28,182	199.22	83,844	27,312	206.99	83,844	27,312	206.9
Other comprehensive income/(loss) for the period, net of taxes	s (616,711)	2,425,819	(125.42)	(104,505)	(21,355)	(389.37)	(520,242)	2,406,845	(121.62)	(8,036)	(42,554)	81.1
otal comprehensive income for the period	2,572,495	6,856,217	(62.48)	(53,645)	1,406,769	(103.81)	2,630,614	7,410,476	(64.50)	42,311	1,419,773	(97.0
ttributable to:	0.570.405		(00.40)						10.1.10			
quity Holders of the Bank Ion-controlling interest	2,572,495	6,856,217	(62.48)	(53,645)	1,406,769	(103.81)	2,588,552 42,062	7,229,275 181,201	(64.19) (76.79)	10,391 31,920	1,415,938 3,835	(99.2
Non-controlling interest Total comprehensive income for the period	2,572,495	6,856,217	(62.48)	(53,645)	1,406,769	(103.81)	2,630,614	7,410,476	(64.50)	42,311	1,419,773	732.3 (97 .0

STATEMENT OF FINANCIAL POSITION						KS. YUUL
In terms of Rule 7.4 of the Colombo Stock Exchange)		Bank			Group	
	As at 31.12.2018 (Audited)	As at 31.12.2017 (Audited)	Growth %	As at 31.12.2018 (Audited)	As at 31.12.2017 (Audited)	Growtl %
ssets						
ash and cash equivalents	12,573,611	8,319,384	51.14	12,573,651	8,319,424	51.14
alances with central bank of Sri Lanka	18,472,275	19,119,843	(3.39)	18,472,275	19,119,843	(3.39
acements with banks and finance companies	-	1,455,115	(100.00)	•	1,455,115	(100.00
erivative financial instruments	1,676,958	60,165	2,687.27	1,676,958	60,165	2,687.27
nancial assets recognised through profit or loss / held-for-trading	4.040.000	7 000 010	(20.05)	4 000 407	7.044.500	(00.00
Measured at fair value	4,918,336	7,939,213	(38.05)	4,923,487	7,944,562	(38.03
Designated at fair value nancial assets at amortised cost		_	-	-		
Loans and advances	326,882,538	280.861.907	16.39	326,882,538	280,861,907	16.39
Debt and other instruments	29,593,496	23,280,633	27.12	29,593,496	23,280,633	27.12
ancial assets measured at fair value through other comprehensive	20,000,100	20,200,000	27.112	20,000,100	20,200,000	
income/available-for-sale	58,770,720	53,507,037	9.84	58,819,604	53,507,037	9.93
restment in subsidiary	1,153,602	1,153,602	-	-	-	
oup balances receivable	40,600	30,000	35.33	-		
pperty, plant & equipment	3,739,526	3,495,140	6.99	6,357,092	6,001,586	5.92
asehold rights	38,479	40,425	(4.81)	571,990	581,346	(1.61
restment properties	-	-	-	845,138	851,667	(0.77
angible assets	576,091	363,451	58.51	576,091	363,451	58.51
ferred tax assets	270,275	-	-	99,648	-	
sets held-for-sale	-	900,543	(100.00)	-	-	
ner assets	8,226,511	7,599,381	8.25	8,269,528	7,637,019	8.28
al assets	466,933,018	408,125,839	14.41	469,661,496	409,983,755	14.56
bilities						
e to banks	26,378,781	27,052,972	(2.49)	26,378,781	27,052,972	(2.49
rivative financial instruments	145,339	571,557	(74.57)	145,339	571,557	(74.57
ancial liabilities at amortised cost		211,221	(* 1101)		,	(
Due to depositors	357,560,187	307,098,902	16.43	357,560,187	307,098,902	16.43
Due to debt securities holders	21,094,525	16,631,973	26.83	21,094,525	16,631,973	26.83
Due to other borrowers	32,018	22,396	42.96	32,018	22,396	42.96
oup balances payable	211,686	1,145,110	(81.51)	-	-	
bt securities issued	16,329,400	12,494,025	30.70	16,329,400	12,494,025	30.70
rrent tax liabilities	1,209,464	1,022,378	18.30	1,185,533	1,046,249	13.31
ferred tax liabilities	-	1,359,044	(100.00)	-	1,431,294	(100.00
her liabilities	9,361,819	6,521,559	43.55	9,472,350	6,593,748	43.66
al liabilities	432,323,219	373,919,916	15.62	432,198,133	372,943,116	15.89
uity						
ted capital	12,025,795	11,228,269	7.10	12,025,795	11,228,269	7.10
tutory reserve fund	1,768,944	1,609,484	9.91	1,768,944	1,609,484	9.91
tained earnings	19,798,647	17,178,024	15.26	20,419,229	17,818,539	14.60
ner reserves	1,016,413	4,190,146	(75.74)	2,032,938	5,170,681	(60.68
al shareholders' equity	34,609,799	34,205,923	1.18	36,246,906	35,826,973	1.17
n - controlling interest	-	-		1,216,457	1,213,666	0.23
al equity	34,609,799	34,205,923	1.18	37,463,363	37,040,639	1.14
al equity & liabilities	466,933,018	408,125,839	14.41	469,661,496	409,983,755	14.50
ntingent liabilities and commitments morandum information	129,692,642	99,500,731	30.34	129,721,740	99,568,595	30.28
Imber of employees	3,344	3,199	4.53	3,366	3,225	4.37
5. 5. 5					166	2.41
umber of banking centres	170	166	2.41	170	100	

	SEYLAN BANK PLC - DEBENTURES		
Ī		Current Period	Comparative Period
		01-Oct-18 to 31-December-18	01-Oct-17 to 31-December-17
	Debt (Debentures)/Equity Ratio (Times) Debt (Debentures plus Long term Debt)/Equity Ratio (Times) Interest Cover (Times) Quick Asset Ratio (Times)	0.47 0.85 3.64 0.74	0.37 0.70 5.69 0.77
	2013/2018 Issue (Debenture matured and redeemed on 22/02/2018) Market Prices during October to December (EX Interest) Annual Interest - 15.50% p.a. Semi Annual Interest - 15.00% p.a. Monthly Interest - 14.50% p.a.		:
l	Interest Yield as at Date of Last Trade		*
l	Yield to Maturity of Trade Done on		*
l	Interest Rate of Comparable Government Security (Debenture matured and redeemed on 22/02/2018)		8.04%
l	2014 Issue		
l	Market Prices during October to December (Ex Interest) 4 Year Fixed Semi Annual - 8.00% p.a. (Debenture matured and redeemed on 16/12/2018)	*	*
l	5 Year Fixed Semi Annual - 8.35% p.a. 5 Year Fixed Annual - 8.60% p.a.	*	*
l	6 Year Fixed Semi Annual - 8.60% p.a.	*	*
l	6 Year Fixed Annual - 8.75% p.a.		
l	Interest Yield as at Date of Last Trade	*	*
l	Yield to Maturity of Trade Done on	*	*
	Interest Rate of Comparable Government Security - 4 Years (Debenture matured and redeemed on 16/12/2018) - 5 Years - 6 Years	10.42% 11.19%	8.96% 9.31% 9.66%
l	2016 Issue		
l	Market Prices during October to December (Ex Interest) 5 Year Fixed Semi Annual - 13.00% p.a		
l	- Highest Price	100.00	*
l	- Lowest Price - Last Traded Price (17/10/2018)/*	100.00 100.00	*
ı	5 Year Floating Semi Annual - six months treasury bill rate + 1.5% 7 Year Fixed Semi Annual - 13.75% p.a	*	*
ı	- Highest Price - Lowest Price	100.00 90.00	*
l	- Last Traded Price (24/12/2018)/*	90.00	*
l	Interest Yield as at Date of Last Trade		*
l	5 Year Fixed Semi Annual - 13.00% p.a (17/10/2018)/* 5 Year Floating Semi Annual - six months treasury bill rate + 1.5%	13.42%	*
l	7 Year Fixed Semi Annual - 13.75% p.a (24/12/2018)/*	15.28%	*
l	Yield to Maturity of Trade Done on	10.000/	*
l	5 Year Fixed Semi Annual - 13.00% p.a (17/10/2018)/* 5 Year Floating Semi Annual - six months treasury bill rate + 1.5%	12.98%	*
l	7 Year Fixed Semi Annual - 13.75% p.a (24/12/2018)/*	16.98%	*
	Interest Rate of Comparable Government Security - 5 Years - 7 Years	11.36% 11.61%	9.76% 10.10%
l	2018 Issue		
	Market Prices during October to December (Ex Interest) 5 Year Fixed Semi Annual - 12.85% p.a. 7 Year Fixed Semi Annual - 13.20% p.a. 10 Year Fixed Semi Annual - 13.50% p.a.	* *	
	Interest Yield as at Date of Last Trade 5 Year Fixed Semi Annual - 12.85% p.a 7 Year Fixed Semi Annual - 13.20% p.a. 10 Year Fixed Semi Annual - 13.50% p.a	* *	
	Yield to Maturity of Trade Done on 5 Year Fixed Semi Annual - 12.85% p.a 7 Year Fixed Semi Annual - 13.20% p.a. 10 Year Fixed Semi Annual - 13.50% p.a	* *	
I	Interest Rate of Comparable Government Security		
I	- 5 Years - 7 Years	11.72% 11.81%	
l	- 10 Years	11.92%	
1	* No Trading during the period		

SELECTED PERFORMANCE INDICATORS		A NIV		DOUD
	31.12.2018	31.12.2017	31.12.2018	ROUP 31.12.2017
Regulatory Capital (LKR Mn.)		01112.2011	0111212010	0111212011
Common Equity Tier I	33,486	30,686	34,325	31,571
Total (Tier I) Capital	33,486	30,686	34,325	31,571
Total Capital Base	43,682	36,451	44,370	37,286
Regulatory Capital Ratios (%) Common Equity Tier I Capital Ratio (Minimum Requirement - 6.375% / 2017 - 5.75%)	10.20	11.16	10.37	11.39
Total Tier Capital Ratio (Minimum Requirement - 7.875% / 2017 - 7.25%)	10.20	11.16	10.37	11.39
Total Capital Ratio (Minimum Requirement - 11.875% / 2017 - 11.25%)	13.30	13.25	13.40	13.46
Regulatory Liquidity Statutory Liquid Assets (LKR Mn.) Domestic Banking Unit (LKR. Mn.) Offshore Banking Unit USD '000	86,367 80,773 31,468	84,170 77,784 41,711		
Statutory Liquid Assets Ratio (%) (Minimum Requirement 20 %) Domestic Banking Unit Offshore Banking Unit	21.44 22.08	23.57 37.08		
Total Stock of High-Quality Liquid Assets (LKR Mn.)	54,800	56,261		
Liquidity Coverage Ratio % Rupee - (Minimum Requirement - 90% / 2017 - 80%) All Currency - (Minimum Requirement - 90% / 2017 - 80%) Net Stable Funding Ratio (%) (Minimum Requirement - 90%)	128.76 92.15 110.00	160.30 121.94		
Assets Quality (Quality of Loan Portfolio)				
Gross Non-Performing Advances Ratio (%) (Net of Interest in Suspense) Net Non-Performing Advances Ratio (%) (Net of Interest in Suspense and Provision)	5.98 4.40	4.42 3.10		
Profitability Interest Margin (%) Return on Assets (before Tax) (%) Return on Equity (%)	4.24 1.07 9.27	4.24 1.74 14.30		

We the under signed, being the Chairman, Director/Chief Executive Officer and Chief Financial Officer of Seylan Bank PLC certify that,

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 audited financial statements of the Bank & Group, which have been prepared in compliance with the requirements of the

 $Companies\ Act\ No.\ 07\ of\ 2007.$

STATEMENT OF FINANCIAL POSITION

(Sgd.) Champika Dodanwela (Ms.) Chief Financial Officer February 18, 2019 Colombo (Sgd.) Kapila Ariyaratne Director/Chief Executive Officer (Sgd.) W. M. R. S. Dias

Rs. '000

* No Trading during the period

1,164,796

1.062.137

0.63

0.58



EXPLANATORY NOTES General The Financial Statements of the Bank and Group have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRSs/LKASs) issued by The Institute of Chartered Accountants of Sri Lanka. The Group has initially adopted SLFRS 9 and SLFRS 15 from 1 January 2018. As permitted by transitional provision issued by CA Sri Lanka, the impact o adopting SLFRS 9 is recognised as adjustment to the equity balance on 1 January 2018 without restating the comparative information.

The adoption of SLFRS 15 did not impact the timing or amount of fee and commission income from contracts with customers and the related assets and liabilities recognized by

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. This is the first quarterly financial statement prepared based on SLFRS 9.

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

2. Information on Ordinary Shares

19 N P Capital Ltd

20 Mr K B B Fernando

MARKET PRICE (Rs.)	31/1	2/2018	31/12/2017		
	Voting	Non-Voting	Voting	Non-Voting	
Market Price Per Share	78.00	44.50	87.20	56.00	
Highest price per share during the quarter ended	85.00	50.60	97.00	63.50	
Lowest price per share during the quarter ended	64.10	37.00	86.00	55.00	

3.	Shareholders' Information	
0.4	Toronto I account Codingson Making Observational and A December 24	004

3.1	Twenty Largest Ordinary Voting Shareholders as at December 31, 2018		
		No. of Shares	%
1	Sri Lanka Insurance Corporation Ltd	27,615,598	15.00
	[includes Sri Lanka Insurance Corporation Ltd (General Fund) 18,410,399 and Sri Lanka Insurance Corporation Ltd (Life Fund) 18,410,399 and Sri Lanka Insuran	nd) - 9,205,199]	
2	Brown & Company PLC A/C No. 1	25,544,310	13.87
3	Employees' Provident Fund	18,148,076	9.86
4	LOLC Investments Ltd	17,584,715	9.55
5	National Development Bank PLC A/C No.02	16,062,819	8.72
6	Bank of Ceylon No.1 Account	13,807,800	7.50
7	Mr. R S Captain	11,305,272	6.14
8	Employees' Trust Fund Board	3,914,857	2.13
9	Mr. S E Captain	3,722,015	2.02
10	Seyfest (Private) Limited	3,157,307	1.71
11	Ms. L A Captain	2,590,415	1.41
12	Sesot (Private) Limited	2,384,287	1.30
13	Seybest (Private) Limited	2,265,433	1.23
14	Seyshop (Private) Limited	2,265,433	1.23
15	Esots (Private) Limited	2,247,331	1.22
16	Ambeon Holdings PLC	2,175,175	1.18
17	Capital Development and Investment Company PLC A/C No. 02	1,864,739	1.01
18	AIA Insurance Lanka PLC A/C No. 07	1.693.458	0.92

3.2	Twenty Largest Ordinary Non-Voting Shareholders as at December 31, 2018		
		No. of Shares	%
1	LOLC Holdings PLC (Formerly known as Lanka Orix Leasing Company PLC)	79,955,209	43.93
2	Employees' Provident Fund	9,707,547	5.33
3	Akbar Brothers Pvt Ltd A/C No 1	3,782,747	2.08
4	J.B. Cocoshell (Pvt) Ltd	3,484,169	1.91
5	Deutsche Bank AG As Trustee For JB Vantage Value Equity Fund	3,361,368	1.85
6	Pershing LLC S/A Averbach Grauson & Co.	3,277,769	1.80
7	Employees' Trust Fund Board	2,895,445	1.59
8	Commercial Bank of Ceylon PLC/Dunamis Capital P L C	2,781,131	1.53
9	Mr. E Thavagnanasooriyam & Mr. E Thawagnasundaram	2,489,991	1.37
10	Merrill J Fernando & Sons (Pvt) Limited	2,021,594	1.11
11	Assetline Leasing Co Ltd/Don & Don Holdings Pvt Ltd	1,972,568	1.08
12	Mr. N Balasingam	1,898,423	1.04
13	Mr. R R Leon	1,604,612	0.88
14	LOLC Technology Services Limited (Formerly known as Lanka Orix Information Technology Services Ltd)	1,584,901	0.87
15	Dr. S Yaddehige	1,141,365	0.63
16	Mr. R Gautam	1,029,488	0.57
17	SSBT- Deutsche Bank AG Singapore A/C No. 01	924,693	0.51
18	Mr. M J Fernando	915,451	0.50
19	Mr. A P Somasiri	903,877	0.50
20	Deutsche Bank Ag As Trustee For Namal Acuity Value Fund	888,551	0.49
3.3	Public Holdings as at December 31, 2018 Number of Share Holders Percentage Holdings		

4. Directors' and Chief Executive Officer's Shareholdings as at December 31, 2018

Name of Director	No. of Shares	No. of Shares
	(Ordinary Voting)	(Ordinary Non-voting)
Mr. W M R S Dias Non Executive Director/Chairman	Nil	Nil
Mr W D K Jayawardena, Non-Executive Director/Deputy Chairman	Nil	Nil
Ms. M C Pietersz, Independent Director/Senior Director	Nil	Nil
Mr. K P Ariyaratne, Director/Chief Executive Officer	38,206	145,395
Mr. S P S Ranatunga, Independent Director	Nil	Nil
Mr. P L S K Perera, Independent Director	Nil	Nil
Mr. S Viran Corea, Non-executive Director	95	Nil
Mr A S Wijesinha, Independent Director	Nil	Nil
Mrs S K Salgado, Independent Director	Nil	Nil
Mr. D M D K Thilakaratne, Non-executive Director	Nil	Nil
Mr. D R Abeysuriya, Independent Director	Nil	Nil
Mr R D Tissera, Non-Executive/Alternate Director to Mr W D K Jayawardena	Nil	Nil

Ordinary Non-Voting Shares

	MER D. HISSERA, NON-Executive/Alternate Director to ME W.D.K. Jayawardena	NII	MII
i.	Stated Capital as at December 31, 2018		Rs. '000
	33,560,000 Voting Ordinary Shares @ Rs. 10/- each 4,000,000 Voting Ordinary Shares @ Rs. 25/- each		335,600 100,000
	92,440,000 Voting Ordinary Shares @ Rs. 35/-each 2,644,068 Voting Ordinary Shares @ Rs. 59/-each 43,333,333 Voting Ordinary Shares @ Rs. 75/-each		3,235,400 156,000 3,250,000
	43,53,535 voting Ordinary Shares @ Rs. 79/- each 4,490,341 Voting Ordinary Shares @ Rs. 99/- each		356,354 404,131
	83,560,000 Non-Voting Ordinary Shares @ Rs. 12/50 each 40,000,000 Non-Voting Ordinary Shares @ Rs. 25/- each		1,044,500 1,000,000
	45,423,009 Non-Voting Ordinary Shares @ Rs. 35/- each 5,859,428 Non-Voting Ordinary Shares @ Rs. 58/40 each 7.152,645 Non-Voting Ordinary Shares @ Rs. 55/- each		1,589,805 342,191 393,395
	Less: Issue Expenses	1	(181,581) 12,025,795

6. Basic/Diluted Earnings per Share

Basic Earnings per share has been calculated by dividing profit after tax attributable to the equity holders of the Bank by the weighted average number of shares in issue (both Voting & Non-voting) during the year ended December 31, 2018. Diluted Earnings per Share and the Basic Earnings per Share is the same due to non-availability of potentially dilutive ordinary shares. Weighted average number of ordinary shares as at 31st December 2017 has been restated based on the No. of shares issued for scrip dividend 2017.

Events after the Reporting Date

Treens after the responsing date Proposed Final Dividend
The Board of Directors of the Bank recommended a first and final dividend of Rs. 2.50 per share on both voting and non-voting shares of the Bank for the financial year ended 31st Date 1.50 per share on both voting and non-voting shares of the Bank for the financial year ended 31st Date 1.50 per share on both voting and non-voting shares of the Bank for the financial year ended 31st Date 1.50 per share on both voting and non-voting shares of the Bank for the financial year ended 31st Date 1.50 per share on both voting and non-voting shares of the Bank for the financial year ended 31st Date 1.50 per share on both voting and non-voting shares of the Bank for the financial year ended 31st Date 2.50 per share on both voting and non-voting shares of the Bank for the financial year ended 31st Date 2.50 per share on both voting and non-voting shares of the Bank for the financial year ended 31st Date 2.50 per share on both voting and non-voting shares of the Bank for the financial year ended 31st Date 2.50 per share on both voting and non-voting shares of the Bank for the financial year ended 31st Date 2.50 per share on both voting and non-voting shares of the Bank for the financial year ended 31st Date 2.50 per shares of the Bank for the financial year ended 31st Date 2.50 per shares of the Bank for the financial year ended 31st Date 2.50 per shares of the Bank for the financial year ended 31st Date 2.50 per shares of the Bank for the financial year ended 31st Date 3.50 per shares of the Bank for the financial year ended 31st Date 3.50 per shares of the Bank for the financial year ended 31st Date 3.50 per shares of the Bank for the financial year ended 31st Date 3.50 per shares of the Bank for t December 2018, to be paid in the form of a cash dividend of Rs. 0.50 per share and a scrip dividend of Rs. 2.00 per share (Rs. 3.50 per share was paid for the year ended 31st December 2017 by way of Rs. 1.00 per share cash dividend and Rs. 2.50 per share scrip dividend).

The said dividend is subject to the approval of the shareholders at the Annual General Meeting of the Bank to be held on 28th March 2019. This proposed final dividend has not been described by the shareholders at the Annual General Meeting of the Bank to be held on 28th March 2019. This proposed final dividend has not been described by the shareholders at the Annual General Meeting of the Bank to be held on 28th March 2019. This proposed final dividend has not been described by the shareholders at the Annual General Meeting of the Bank to be held on 28th March 2019. This proposed final dividend has not been described by the shareholders at the Annual General Meeting of the Bank to be held on 28th March 2019. This proposed final dividend has not been described by the shareholders at the Annual General Meeting of the Bank to be held on 28th March 2019. This proposed final dividend has not been described by the shareholders at the Annual General Meeting of the Bank to be held on 28th March 2019. The shareholders at the Annual General Meeting of the Bank to be held on 28th March 2019. The shareholders at the Annual General Meeting of the Bank to be a shareholder at the Annual General Meeting of the Bank to be a shareholder at the Annual General Meeting of the Bank to be a shareholder at the Annual General Meeting of the Bank to be a shareholder at the Annual General Meeting of the Bank to be a shareholder at the Annual General Meeting of the Bank to be a shareholder at the Annual General Meeting of the Bank to be a shareholder at the Annual General Meeting of the Bank to be a shareholder at the Annual General Meeting of the Bank to be a shareholder at the Annual General Meeting of the Bank to be a shareholder at the Annual General Meeting of the Bank to be a shareholder at the Annual General Meeting of the Bank to be a shareholder at the Annual General Meeting of the Bank to be a shareholder at the Bank to be a shareho

Debenture Issue (BASEL III Compliant)

December 1820 (AASEL III Compitant)
A public issue of Thirty Million (30,000,000) Fully Paid, BASEL III Compitant, Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable Debentures (Debentures) with a Non-viability conversion in compliance with BASEL III requirements to be converted to Ordinary Voting Shares by the Bank upon the occurrence of a Trigger Event (as defined in the Banking Act Direction No. 1 of 2016), at a par value of LKR 100/- with an option to issue upto a further Twenty Million (20,000,000) Debentures in the event of an oversubscription at the discretion of the Bank which said issue will be limited to 'qualified investors' (as defined in Section 2.2.1-10 the Rules of the Colombo Stock Exchange), has been announced and an Extraordinary General Meeting of the Bank has been convened by the Bank to be held on 7th March 2019 to obtain Shareholders approval for the Bank to proceed with the same. The proposed issue is subject to the approval of the Colombo Stock Exchange.

There were no material events occurred after the reporting date that require adjustments to or disclosure in the financial statements other than disclosed above

The bank designated some of forward foreign currency SWAPs as hedging instruments to hedge foreign currency risk of liabilities denominated in foreign currencies. The fair value changes associated with these derivatives were initially recognized in Other Reserves through Other Comprehensive Income (OCI). The amount recognized in OCI is reclassified to profit Changes to Gratuity Policy

The Board has resolved to pay an additional half a month basic salary (last drawn) over and above the statutory gratuity entitlement for each year of service for eligible existing employees and ex-employees who joined before 05th March 2009 and retired/resigned after 5th March 2009 having completed uninterrupted and unblemished service period of the years in the Bank, subject to the entering into a memorandum of settlement which confers on them the said entitlement to the additional payment and giving the right to the Bank to settle the said liability by disposal of the shares in the Share Trust companies.

All employees who joined on or after 05th March 2009 are entitled to receive a Gratuity of half a month basic salary (last drawn) for each completed year of service in terms of Gratuity Act The Bank has not recognized an additional gratuity liability in the financial statement for ex-employees who have not entered into the "Memorandum of settlement (MOS)" with the Bank, giving the right to settle the said liability by utilizing proceeds expected from disposal of shares held by share trust companies, as the establishment of the liability is

contingent upon the date of signing the "Memorandum of Settlement" and the prevailing Share Prices as at that date of signing, If the above uncertainties are resolved, the Bank estimates an additional cash outflow of Rs. 224 Mn. (net of tax)

Redemption of Debentures 2014/2018

"4,622,800 debentures of LKR 100/- each amounting to LKR 462,280,000/- which were allotted on 23rd December 2014 were redeemed on 23rd December 2018." Mr. SPS Ranatunga, Independent Director resigned from the Board with effect from 12th January 2019.

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.

10.IMPACT ON ADOPTING SLFRS 9 - "FINANCIAL INSTRUMENTS" Rs. '000

The group initially adopted SLFRS 9 from 1 January 2018, as permitted by the transitional provision of SLFRS 9. The impact of adopting SLFRS 9 is considered as an adjustment to equity on 1 January 2018, without restating the comparative information.

The following table shows the impact on transition of SLFRS 9 - "Financial Instruments" on Fair Value through Other Comprehensive Income Reserves and retained earnings as at 1st January 2018: Fair Value

Retained Earnings	Comprehensive Income Reserve	Retained Earnings	Comprehensive Income Reserve
17,178,024	945,408	17,818,539	945,496
2,268,352	(2,268,352)	2,315,943	(2,315,943)
(2,095,203)		(2,095,203)	
(,,		(,,	
(35,126)		(35,126)	
(62,785)	62,785	(62,785)	62,785
(7,276)		(7,276)	
(4,938)		(4,938)	
(254,052)		(254,052)	
(635,380)	635,380	(635,380)	635,380
671,046		671,046	
		(14,035)	14,035
(155,362)	(1,570,187)	(121,806)	(1,603,743)
17,022,662	(624,779)	17,696,733	(658,247)
	Earnings 17,178,024 2,268,352 (2,095,203) (35,126) (62,785) (7,276) (4,938) (254,052) (635,380) 671,046	Retained Earnings Comprehensive Income Reserve 17,178,024 945,408 2,268,352 (2,268,352) (2,095,203) (35,126) (62,785) 62,785 (7,276) (4,938) (254,052) 635,380 671,046 635,380 (1,570,187)	Retained Earnings Comprehensive Income Reserve Retained Earnings 17,178,024 945,408 17,818,539 2,268,352 (2,268,352) 2,315,943 (2,095,203) (2,095,203) (2,095,203) (35,126) (62,785) (62,785) (7,276) (7,276) (7,276) (4,938) (4,938) (4,938) (254,052) (254,052) (635,380) (671,046) 671,046 (71,046) (155,362) (1,570,187) (121,806)

	Stated	Capital			Other Reserves				
r the Year ended 31st December	Ordinary Shares Voting	Ordinary Shares Non-Voting	Statutory Reserve Fund *	Retained Earnings	Revaluation Reserve	FVOCI Reserve /AFS Reserve	Other Reserves	_	
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	27,77	
Total comprehensive income for the year									
Profit for the year Other comprehensive income (net of tax)	-	-	-	4,430,398	-	-	-	4,4	
- Deferred tax on revaluation surplus of land**					(231,989)			(2	
- Actuarial gain on defined benefit obligations	-	-	-	28,182	-	-	-	,	
 Net gain on re-measuring available-for-sale financial assets Net movement of cash flow hedge reserve 	-	-	-	-	-	2,636,992	(7.200)	2,6	
•							(7,366)		
Total comprehensive income for the year	-	-	-	4,458,580	(231,989)	2,636,992	(7,366)	6,8	
ansactions with equity holders, recognised directly in equity	050.054	040 404		(4.404.404)					
Cash/scrip dividends to equity holders Transferred to statutory reserve fund*	356,354	342,191	221,520	(1,121,121) (221,520)				(4	
Transferred from investment fund reserve			221,320	11.852			(11.852)		
Total transactions with equity holders	356,354	342,191	221,520	(1,330,789)	-	-	(11,852)	(4	
Balance as at 31st December 2017 (1 + 2 + 3)	7,319,076	3,909,193	1,609,484	17,178,024	1,242,493	945,408	2,002,245	34,2	
Balance as at 01st January 2018	7,319,076	3,909,193	1,609,484	17,178,024	1,242,493	945,408	2,002,245	34,2	
Adjustment on initial application of SLFRS 9, net of tax			-	(155,362)		(1,570,187)	-	(1,7	
Restated balance as at 01st January 2018	7,319,076	3,909,193	1,609,484	17,022,662	1,242,493	(624,779)	2,002,245	32,4	
Total comprehensive income for the year									
Profit for the year		-	-	3,189,206	-		-	3,1	
Other comprehensive income (net of tax) - Actuarial gain on defined benefit obligations				84.326			_		
- Net gains/(losses) on investments in debt instruments measured at fair value				04,020					
through other comprehensive income	-	-	-	-	-	(1,105,151)	-	(1,1	
Change in fair value on investments in equity instruments measured at fair value through other comprehensive income						368,208		3	
- Net movement of cash flow hedge reserve	- :					300,200	35,906	3	
Total comprehensive income for the year			-	3,273,532		(736,943)	35,906	2,5	
Transactions with equity holders, recognised directly in equity									
Cash/scrip dividends to equity holders	404,131	393,395	-	(1,240,596)	-	-	-	(4	
Reversal of revaluation on disposed property, plant and equipment		-		376,203	(376,203)		-	,	
Transferred to statutory reserve fund* Transferred from investment fund reserve		-	159,460	(159,460) 8,727	-		(8,727)		
Net gain on disposal equity investments measured at fair value through				0,727			(0,727)		
other comprehensive income Total transactions with equity holders	404.131	393,395	159,460	517,579	(376,203)	(517,579)	(8,727)	(4-	
iotal transactions with equity noticers	404,131	393,393	139,400	(497,547)	(370,203)	(517,579)	(0,727)	(4	
Balance as at 31st December 2018 (2 + 3 + 4)	7,723,207	4,302,588	1,768,944	19,798,647	866,290	(1,879,301)	2,029,424	34,6	

STATEMENT OF CHANGES IN EQUIT	T - GRUU	P (AUGIT	eu)						- H	Rs. '000
	State	d Capital		[01	ther Reserves				
or the Year ended 31st December	Ordinary Shares Voting	Ordinary Shares Non-Voting	Statutory Reserve Fund *	Retained Earnings	Revaluation Reserve	FVOCI Reserve/ AFS Reserve	Other Reserves	Total	Non- Controlling Interest	To Equ
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,
Total comprehensive income for the year Profit for the year				4,816,834				4,816,834	186,797	5,003
Other comprehensive income (net of tax)					(4.4.00.4)			(44.004)	(5.005)	(00
 Revaluation of property, plant and equipment Deferred tax on revaluation surplus of land** 					(14,334) (231,989)			(14,334) (231,989)	(5,995)	(20
- Actuarial gain on defined benefit obligations	-			27,569	(201,303)		-	27,569	(257)	2
 Net gain on re-measuring available-for-sale financial assets Net movement of cash flow hedge reserve 	:	:	:	-		2,638,561	(7,366)	2,638,561 (7,366)	656	2,63
Total comprehensive income for the year				4,844,403	(246,323)	2,638,561	(7,366)	7,229,275	181,201	7,410
Transactions with equity holders, recognised directly in equity										
Cash/scrip dividends	356,354	342,191		(1,121,121)				(422,576)	(32,725)	(45
Transferred to statutory reserve fund*	-	-	221,520	(221,520)			-	(.==,0.0)	(02).20)	,
Transferred from investment fund reserve	-	-	-	11,852		-	(11,852)	- (100 570)	(00 707)	
Total Transactions with Equity Holders	356,354	342,191	221,520	(1,330,789)	•	-	(11,852)	(422,576)	(32,725)	(45
Balance as at 31st December 2017 (1 + 2 + 3)	7,319,076	3,909,193	1,609,484	17,818,539	1,967,727	945,496	2,257,458	35,826,973	1,213,666	37,040
Balance as at 01st January 2018	7,319,076	3,909,193	1,609,484	17,818,539	1,967,727	945,496	2,257,458	35,826,973	1,213,666	37,040
Adjustment on initial application of SLFRS 9, net of tax				(121,806)	-	(1,603,743)	-	(1,725,549)	-	(1,72
Restated Balance as at 01st January 2018	7,319,076	3,909,193	1,609,484	17,696,733	1,967,727	(658,247)	2,257,458	34,101,424	1,213,666	35,31
Total Comprehensive Income for the Year										
Profit for the year		-	-	3,137,243	-	-	-	3,137,243	13,613	3,15
Other Comprehensive Income (net of tax)								74.007		
 Revaluation of property, plant and equipment Actuarial gain on defined benefit obligations 	-			83,986	71,327		-	71,327 83,986	29,832 (142)	10
Net gains/(losses) on investments in debt instruments measured at				03,900			-	03,900	(142)	
fair value through other comprehensive income				(1,410)		(1,106,708)	-	(1,108,118)	(1,241)	(1,10
 Change in fair value on investments in equity instruments measured at fair value through other comprehensive income 						368,208		368,208		36
- Net movement of cash flow hedge reserve						308,208	35.906	35,906		30
Total comprehensive income for the year	-	•	-	3,219,819	71,327	(738,500)	35,906	2,588,552	42,062	2,63
Transactions with equity holders, recognised directly in equity										
Cash/scrip dividends	404,131	393,395		(1,240,596)				(443,070)	(39,271)	(48
Reversal of revaluation on disposed property, plant and equipment		-	-	376,427	(376,427)	-	-	-	-	,
Transferred to statutory reserve fund*	-	-	159,460	(159,460)	-	-	(0.707)	-	-	
Transferred from investment fund reserve Net gain on disposal equity investments measured at	-	-	-	8,727	-	-	(8,727)	-	-	
fair value through other comprehensive income				517,579		(517,579)				
Total transactions with equity holders	404,131	393,395	159,460	(497,323)	(376,427)	(517,579)	(8,727)	(443,070)	(39,271)	(48
Balance as at 31st December 2018 (2 + 3 + 4)	7,723,207	4,302,588		20,419,229	1,662,627	(1,914,326)	2,284,637	36,246,906	1,216,457	37,46

** The Bank recognises deterred tax liability for the revaluation surplus of land in accordance with the related tax provisions introduced by the Inland Revenue Act No. 24 of 2017. FVOCI Reserve - Fair Value through Other Comprehensive Income Reserve AFS Reserve - Available for Sale Reserve

(294.640)

11. SEGMENT REPORTING - GROUP (Audited) Rs. '000 BANKING TREASURY PROPERTY/INVESTMENTS UNALLOCATED/ELIMINATIONS TOTAL 2017 2017 2017 2017 Interest Income Interest Expense Net Interest Income Fee and Commission Income Fee and Commission Income Fee and Commission Income Net Interest, Fee And Commission Income Net Gains/(Losses) from Trading/Net fair value gains/(losses) from financial instruments at fair value through profit or loss Net Gains/(Losses) from Derecognition of Financial Assets Other Operating Income (Net) Inter Seament Revenue 46,053 2,962 **43,091** 2,186,836 (42,688) **2,229,524** 1,971 2,259,416 (60,311) **2,319,727** 2,211 157 83,867 1,356 38,962 (37,606) 629,659 355 27,670 **(27,315) 2,634,086** 5,934 (**5,934**) **77,933** 4,537 (4,**537**) **38,554** 4,078,879 16,934,950 2,054 2,321,781 4,048,998 21,839,085 3,782,004 19,357,004 1,971 2,231,495 (40,103) 358,636 1,870,317 (1,192) (198) 170,391 (214,471) **16,283,551** 342,413 1,546,629 364,280 269,116 404,273 Other Operating Income Ther Segment Revenue Total Operating Income Depreciation and Amortisation Charge for the year 73,171 **2,799,225** 399,064 (48,898) **21,545,854** 743,417 1,504,696 **345,857** 776 Impairment Charge For the year. Additional gratuity expense Operating Expenses, VAT, NBT & DRL Reportable Segment Profit Before Income Tax 3,547,746 (75,174) 6,965 9,757,416 **3,191,404** 9,142,536 **5,251,973** 538,254 **1,570,838** 75,772 **325,883** 79,280 **265,801** 2,252,748 **196,311 4,687,124** 5,003,631 Profit Attributable fo: Equity Holders of The Bank Non-Controlling Interests Profit For The Year Other Comprehensive Income, Net of Income Tax Other Information Reportable Segment Assets Segment Accumulated Amortisation Total Assets 4,816,834 5,003,631 2,406,845 3,150,856 (520,242) 119,264,746 (43,631) 119,221,115 61,449,330 61,449,330 2,495,978 (3,421,760) 2,013,309 (37,988) 1,578,967 (1,418,676) (37,988) 5,475,554 (1,535) **5,474,019** 5,474,019 **5,474,019** 118,358 952,006 (110,974) (30,165) 28,545,367 (7,149,000) **21,396,367** 39,414,686 **39,414,686** (716,122) (645,311) (332,703) (560,608) 476,258,097 (6,596,601) **469,661,496** 325,748,146 (1,540,992) **324,207,154** 279,545,742 (733,848) **278,811,894** (2,371) 5,638,682 5,638,682 5,638,682 174,892 (908,536) (133,168) (21,082) (5,009,607) **20,594,545** (7,909,956 **409,983,755** 469,661,496 469,661,496 12,311,528 (4,586,002) 1,602,296 (1,224,715) 321,813,148 321,813,148 2,051,173 (363,280) 42,834,491 42,834,491 206,366 (567,077) (277,845) 409,983,755 **409,983,755**

		Bank -	2010		Bank - 2017				
	Financial Assets Measured at Fair Value through Profit or Loss (FVTPL)	Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	Financial Assets Measured at Amortised Cost	Total	Held-for- Trading (HFT)	Held-to- Maturity (HTM)	Loans & Receivables (L&R)	Available- for-Sale (AFS)	Total
Assets Cash and Cash Equivalents Balances with Central Bank of Sri Lanka Placements with Banks and Finance Companies Derivative Financial Instruments Securities Purchased under Resale Agreements Customer Loans and Advances Debt Instruments Equify Instruments Government Securities Group Balances Receivable Other Financial Assets	1,676,958 		12,573,611 18,472,275 - 5,462,167 326,882,538 752,003 - 23,379,326 40,600 6,106,130 333,688,650	12,573,611 18,472,275 1,676,958 5,462,167 326,882,538 870,015 1,660,158 85,290,212 40,600 6,106,130	60,165 - - - 3,719 7,935,494 - - 7,999,378	864,701 20,665,077 	8,319,384 19,119,843 1,455,115 - 1,750,855 280,861,907 - 30,000 4,922,113 316,459,217	- 1,455,115 - 1,455,115 313,019 1,753,152 51,440,866 53,507,037	8,319,384 19,119,843 60,165 1,750,855 280,861,907 1,177,20 1,756,871 80,041,437 30,000 4,922,113 399,495,410
Financ		ties Measured at e through oss (FVPL)	Financial Liabilities Measured at Amortised Cost (AC)	Total	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	ading (HFT)		sed Cost	Total
Liabilities Due to Banks Due to Banks Due to Depositors Securities Sold under Repurchase Agreements Due to Other Borrowers Group Balances Payable Debt Securities Issued Other Financial Liabilities Total Financial Liabilities	ruments 145,339 epurchase Agreements		26,378,781 	26,378,781 145,339 357,560,187 21,094,525 32,018 211,686 16,329,400 7,733,851 429,485,787		- ,557 - - - - - - -	307,0 16,6 1,1 12,4 5,1	52,972 - 98,902 31,973 22,396 45,110 94,025 54,901 00,279	27,052,97: 571,55' 307,098,90: 16,631,97: 22,39! 1,145,11! 12,494,02: 5,154,90 370,171,83 !
		Group	Group - 2018				Group - 2017		
	Financial Assets Measured at Fair Value through Profit or Loss (FVTPL)	Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	Financial Assets Measured at Amortised Cost	Total	Held-for- Trading (HFT)	Held-to- Maturity (HTM)	Loans & Receivables (L&R)	Available- for-Sale (AFS)	Total
Assets Cash and Cash Equivalents Balances with Central Bank of Sri Lanka	-	-	12,573,651 18,472,275	12,573,651 18 472 275	-	-	8,319,424 19 119 843	-	8,319,424 19,119,843

Securities Sold under Repurchase Agreements	-		21,094,525 32,018	21,094,525	-		16,631,973		16,631,973
Due to Other Borrowers		-		32,018		-		22,396	22,396
Group Balances Payable		-	211,686	211,686		-		45,110	1,145,110
Debt Securities Issued		-	16,329,400	16,329,400		-		194,025	12,494,025
Other Financial Liabilities		-	7,733,851	7,733,851		-		54,901	5,154,901
Total Financial Liabilities	145,	.339	429,340,448	429,485,787	571	1,557	369,6	00,279	370,171,836
		Group	- 2018				Group - 2017		
	Financial Assets Measured at Fair Value through Profit or Loss (FVTPL)	Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	Financial Assets Measured at Amortised Cost	Total	Held-for- Trading (HFT)	Held-to- Maturity (HTM)	Loans & Receivables (L&R)	Available- for-Sale (AFS)	Total
Assets									
Cash and Cash Equivalents Balances with Central Bank of Sri Lanka Placements with Banks and Finance Companies Derivative Financial Instruments Securities Purchased under Resale Agreements Customer Loans and Advances Debt Instruments Equity Instruments Government Securities Other Financial Assets	1,676,958 5,151 4,918,336 6,600,445 Financial Liabilit		12,573,651 18,472,275 - - 5,462,167 326,882,538 752,003 - 23,379,326 6,136,198 393,658,158 Financial Liabilities Measured at Amortised Cost	12,573,651 18,472,275 - 1,676,958 5,462,167 326,882,538 918,899 1,665,309 85,290,212 6,136,198		864,701 - 20,665,077 - 21,529,778	8,319,424 19,119,843 1,455,115 1,750,855 280,861,907 - - 4,944,991 316,452,135		8,319,424 19,119,843 1,455,115 60,165 1,750,855 280,861,907 1,177,720 1,762,220 80,041,437 4,944,991
	Profit or Lo	oss (FVPL)	(AC)	Total	Held-for-Trading (HFT)		Amortis	sed Cost	Total
Liabilities Due to Banks Derivative Financial Instruments Due to Depositors Securities Sold under Repurchase Agreements Due to Other Borrowers Debt Securities Issued Other Financial Liabilities	145,339 - - - - - -		26,378,781 357,560,187 21,094,525 32,018 16,329,400 7,827,090	26,378,781 145,339 357,560,187 21,094,525 32,018 16,329,400 7,827,090	571,557 - - - - - - -		27,052,972 307,098,902 16,631,973 22,396 12,494,025 5,187,172		27,052,972 571,557 307,098,902 16,631,973 22,396 12,494,025 5,187,172
Total Financial Liabilities	145,		429,222,001	429,367,340		,557		87,440	369,058,997
* Classifications of Financial Assets and Liabilities as per SLFRS	9 - "Financial Instrument	s"	· ·				Liabilities as per Lk	KAS 39 - Financial In	struments -
					Recognition and I	Measurement"			

Recognition and Measurement"

SEYLAN BANK PLC FINANCIAL STATEMENTS Year ended 31st December, 2018



13. ANALYSIS OF LOANS &		Rs. '000			
		BA	ANK	GI	ROUP
		As at 31.12.2018	As at 31.12.2017	As at 31.12.2018	As at 31.12.2017
40.4 Bradust wise Cours Laure & Advances					
13.1 Product-wise Gross Loans & Advances By product - Domestic Currency					
Export Bills		_	15,359		15,359
Import Bills		636,183	335,352	636,183	335,352
Local Bills		77,844	130,330	77,844	130,330
Lease Rentals Receivable		18,904,050	16,222,825	18,904,050	16,222,825
Overdrafts		61,716,516	61,901,243	61,716,516	61,901,243
Revolving Import Loans		13,341,077	10,531,334	13,341,077	10,531,334
Packing Credit Loans		2,805,240	1,191,070	2,805,240	1,191,070
Trust Receipt Loans		2,702,264	1,812,834	2,702,264	1,812,834
Staff Loans		6,497,835	6,108,917	6,497,835	6,108,917
Housing Loans		15,518,085	13,401,222	15,518,085	13,401,222
Pawning Receivables		11,661,946	10,046,055	11,661,946	10,046,055
Refinance Loans		3,321,294	2,479,247	3,321,294	2,479,247
Credit Cards Margin Trading		6,180,328 2,453,096	4,886,489 2,588,413	6,180,328 2,453,096	4,886,489 2,588,413
Factoring		2,455,096	1,099,984	2,453,096	1,099,984
Term Loans		151,140,641	125,086,423	151,140,641	125,086,423
Total		299,117,547	257,837,097	299,117,547	257,837,097
By product - Foreign Currency					
Export Bills		3,538,191	3,164,298	3,538,191	3,164,298
Import Bills		407,074	459,456	407,074	459,456
Local Bills		42,947	44,659	42,947	44,659
Overdrafts		972,118	886,908	972,118	886,908
Revolving Import Loans		394,283	442,327	394,283	442,327
Packing Credit Loans		8,570,902	9,555,196	8,570,902	9,555,196
Housing Loans		171,441	98,917	171,441	98,917
Term Loans		23,560,567	13,980,515	23,560,567	13,980,515
Total		37,657,523	28,632,276	37,657,523	28,632,276
Gross Loans and Advances		336,775,070	286,469,373	336,775,070	286,469,373
13.2 Product-wise Commitments and Conting	encies				
By product - Domestic Currency					
Commitments					
Undrawn Credit Lines		62,476,628	41,387,418	62,476,628	41,387,418
Capital Commitments		364,181	266,709	395,045	267,573
Contingencies					
Acceptances		233,853	19,178	233,853	19,178
Standby Letters of Credit		12,000	-	12,000	-
Guarantees		29,664,071	26,708,830	29,662,305	26,775,830
Documentary Credit		295,460	125,391	295,460	125,391
Bills for Collection Forward Exchange Contracts (Net)		241,218	391,790	241,218	391,790 (17,826,910)
Total		(11,702,034) 81,585,377	(17,826,910) 51,072,406	(11,702,034) 81,614,475	51,140,270
iotai		01,303,377	31,072,400	01,014,473	31,140,270
By product - Foreign Currency					
Commitments					
Undrawn Credit Lines		10,117,964	6,079,610	10,117,964	6,079,610
Capital Commitments		586,239	306,093	586,239	306,093
Contingencies					
Acceptances		10,982,506	11,100,485	10,982,506	11,100,485
Standby Letters of Credit		512,454	77,872	512,454	77,872
Guarantees		1,013,344	795,566	1,013,344	795,566
Documentary Credit		9,515,862	10,184,373	9,515,862	10,184,373
Bills for Collection		2,411,544	2,997,738	2,411,544	2,997,738
Forward Exchange Contracts (Net)		12,967,352	16,886,588	12,967,352	16,886,588
Total		48,107,265	48,428,325	48,107,265	48,428,325
Total Commitments and Contingencies		129,692,642	99,500,731	129,721,740	99,568,595

13. ANALYSIS OF LOANS & ADVANCES, COMMITMENTS, CONTINGENCIES AND IMPAIRMENT (Contd.) Rs. '000							
	B <i>I</i>	ANK	GI	ROUP			
	As at 31.12.2018	As at 31.12.2017	As at 31.12.2018	As at 31.12.2017			
	31.12.2010	31.12.2017	31.12.2010	31.12.2017			
13.3 Stage-wise Impairment on Loans & Advances, Commitments and Contingencies							
communicate and contingences							
Gross Loans and Advances, Commitments and Contingencies	466,467,712	385,970,104	466,496,810	386,037,968			
Less : Accumulated Impairment under Stage 1	862,303		862,303				
Accumulated Impairment under Stage 2	820,746		820,746				
Accumulated Impairment under Stage 3 Net Impairment loss - Individual	8,473,518	1,744,089	8,473,518	1,744,089			
Net Impairment loss - Individual Net Impairment loss - Collective		3,863,377		3,863,377			
Net Impairment loss - Collective		3,003,377		3,003,377			
Net Loans & Advances, Commitments and Contingencies	456,311,145	380,362,638	456,340,243	380,430,502			
Movement of Impairment During the Period							
Stage 1							
Balance as at 01st January	929,724		929,724				
Charge/(Write back) to income statement	(67,421)		(67,421)				
Write-off during the year	-		-				
Other movements	-		-				
Balance as at 31st December	862,303		862,303				
Stage 2							
Balance as at 01st January	307,129		307,129				
Charge/(Write back) to income statement	513,617		513,617				
Write-off during the year	-		-				
Other movements	-		-				
Balance as at 31st December	820,746		820,746				
Stage 3							
Balance as at 01st January	6,719,868		6,719,868				
Charge/(Write back) to income statement	3,069,660		3,069,660				
Reversal for Write-off during the Year	(779,928)		(779,928)				
Interest Accrued on Impaired Loans and Advances Other Movement	(536,082)		(536,082)				
Balance as at 31st December	8,473,518		8,473,518				
Allowance for Individual Impairment	0,473,310		0,473,310				
Balance as at 01st January		2,420,888		2,420,888			
Net Impairment during the Year		1,069,797		1,069,797			
Reversal for Write-off during the Year		(1,413,347)		(1,413,347)			
Interest Accrued on Impaired Loans and Advances		(326,532)		(326,532)			
Net Transfer to Collective Impairment		(6,717)		(6,717)			
Balance as at 31st December		1,744,089		1,744,089			
Allowance for Collective Impairment							
Balance as at 01st January		3,632,097		3,632,097			
Net Impairment during the Year		423,679		423,679			
Reversal for Write-off during the Year		(199,116)		(199,116)			
Net Transfer from Individual Impairment		6,717		6,717			
Balance as at 31st December		3,863,377		3,863,377			
Total Impairment	10,156,567	5,607,466	10,156,567	5,607,466			

14. ANALYSIS OF DEPOSITS		,		Rs. '000	
	BA	NK	GROUP		
	As at	As at	As at	As at	
14 Analysis of Denosits	31.12.2018	31.12.2017	31.12.2018	31.12.2017	
14 Analysis of Deposits By product - Domestic Currency					
Demand Deposits	16,885,181	15,421,548	16,885,181	15,421,548	
Savings Deposits	70,292,893	65,596,837	70,292,893	65,596,837	
Fixed Deposits	228,459,323	188,861,741	228,459,323	188,861,741	
Certificate of Deposits	2,655,070	3,438,619	2,655,070	3,438,619	
Total	318,292,467	273,318,745	318,292,467	273,318,745	
By product - Foreign Currency					
Demand Deposits	5,485,326	4,581,517	5,485,326	4,581,517	
Savings Deposits	10,451,956	10,207,465	10,451,956	10,207,465	
Fixed Deposits	23,330,438	18,991,175	23,330,438	18,991,175	
Total	39,267,720	33,780,157	39,267,720	33,780,157	
otal Deposits	357,560,187	307.098.902	357,560,187	307,098,902	