

INCOME STATEMENT - FOR THE YEAR ENDED 31ST DECEMBER 2017

In Rupees Thousand	Current Year From 01/01/2017 To 31/12/2017 (Audited)	Previous Year From 01/01/2016 To 31/12/2016 (Audited)
Interest Income	20,909,580	14,813,083
Interest Expenses	(11,233,284)	(7,197,199)
Net Interest Income	9,676,295	7,615,885
Fee and Commission Income	1,101,825	905,637
Fee and Commission Expenses	(181,086)	(124,649)
Net Fee and Commission Income	920,739	780,987
Net Gain / (Loss) from trading	-	-
Net Gain/(Loss) from financial instruments at fair value through profit or loss	(8)	4
Net Gain/(Loss) from Financial Investments	-	-
Other Operating Income (net)	4,674	25,617
Total Operating Income	10,601,701	8,492,493
Impairment for Loans & Other Losses	-	-
Individual Impairment	(149,640)	(37,741)
Collective Impairment	(294,227)	66,851
Net Operating Income	10,157,834	8,451,603
Personnel Expenses	(4,980,436)	(4,609,233)
Depreciation and Amortisation	(326,101)	(270,346)
Other Expenses	(1,544,302)	(1,441,457)
Operating Profit / (Loss) before Value Added Tax (VAT)	3,306,995	2,130,568
Nation Building Tax	(131,326)	(107,483)
Value Added Tax (VAT) on financial services	(984,943)	(767,485)
Profit / (Loss) before tax	2,190,726	1,255,600
Tax Expenses	(906,796)	(614,312)
Profit / (Loss) for the Year	1,283,930	641,288
Profit attributable to :		
Shareholders	1,283,930	641,288
Earning per Share		
Basic earning per ordinary share	9.23	4.68

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2017

In Rupees Thousand	Current Year From 01/01/2017 To 31/12/2017 (Audited)	Previous Year From 01/01/2016 To 31/12/2016 (Audited)
Profit for the year	1,283,930	641,288
Other Comprehensive income/(expenses)		
Items that will not be reclassified to Profit & Loss		
Actuarial Gain/(Loss) on Defined Benefit Plan	(936,287)	(170,393)
Deferred tax effect on above	66,160	47,710
Total Other Comprehensive Income for the year, net of Taxes	(1,170,126)	(122,683)
Total Comprehensive income for the Year	1,113,803	518,605

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2017

In Rupees Thousand	Current Year As at 31/12/2017 (Audited)	Previous Year As at 31/12/2016 (Audited)
Assets		
Cash and cash equivalents	482,920	428,698
Sri Lankan Government Securities	2,512,363	-
Balance with other banks	27,702,520	18,979,572
Placements with banks	6,682,476	1,682,030
Financial assets held for trading	197	204
Financial assets designated at fair value through profit or loss	-	-
Loans and receivables given to banks	-	-
Loans and receivables given to other customers	127,508,812	105,653,631
Financial Investments - Available-for-Sale	-	-
Financial Investments - Held-to-Maturity	516,935	516,742
Investments in Subsidiaries	-	-
Investments in associate and Joint Ventures	-	-
Property, plant and equipment	1,204,893	1,186,398
Investment properties	-	-
Goodwill and intangible assets	37,843	58,026
Deferred Tax Assets	343,879	217,650
Other assets	2,266,366	2,191,034
Total assets	169,259,202	130,913,984
Liabilities		
Due to banks	10,729,312	11,765,493
Derivatives Financial Instruments	-	-
Other Financial liabilities held for trading	-	-
Financial liabilities designated at fair value through profit or loss	-	-
Due to other customers	139,827,365	107,031,721
Debt Issued and Other Borrowed Funds	-	-
Debt securities issued	4,707,853	2,708,377
Other Provision	-	-
Other liabilities	2,686,029	2,130,544
Retirement benefit obligation	1,695,895	1,278,903
Total Liabilities	159,646,453	124,915,039
Equity		
State Capital / Assigned Capital	3,870,937	1,370,937
Statutory Reserve Fund	663,652	599,456
Retained Earnings	1,716,909	988,284
Other Reserves	3,361,251	3,040,268
Total Shareholders' Equity	9,612,749	5,998,946
Non-controlling interests	-	-
Total Equity	9,612,749	5,998,946
Total Equity and Liabilities	169,259,202	130,913,984
Contingent Liabilities and Commitments	406,561	453,556
Memorandum Information		
Number of permanent Employees	2,316	2,350
Number of Branches	265	265

1) Loans and Receivables to other Customers

In Rupees Thousand	Bank	
	Current Year As at 31/12/2017 (Audited)	Previous Year As at 31/12/2016 (Audited)
Gross loans and receivables	130,324,846	108,102,760
(less): Zero rate loan fair value adjustment	(106,516)	(159,863)
Staff loan fair value adjustment	(745,241)	(760,807)
Individual impairment charges	(173,823)	(24,184)
Collective impairment charges	(1,790,453)	(1,504,275)
Net Loans and receivables including those designated at fair value through profit or loss	127,508,812	105,653,631
(Less): Loans and receivables designated at fair value through Profit & Loss	-	-
Net loans and receivables	127,508,812	105,653,631

2) Loans and Receivables to other Customers - By product

In Rupees Thousand	Bank	
	Current Year As at 31/12/2017 (Audited)	Previous Year As at 31/12/2016 (Audited)
By Product - Domestic Currency		
Term Loans	115,330,985	95,737,973
Pawning	9,511,755	7,873,700
Staff Loans	3,500,798	3,193,993
Interest Receivable on Loans & Advances	1,981,307	1,297,163
Total	130,324,846	108,102,760

3) Movements in individual and collective impairment during the period for Loans and Receivables to other customers

In Rupees Thousand	Bank	
	Current Year As at 31/12/2017 (Audited)	Previous Year As at 31/12/2016 (Audited)
Individual Impairment		
Opening Balance	24,184	91,035
Charge / (Write back) to Income statement	149,640	(66,851)
Write-off during the year	-	-
Other movements	-	-
Closing Balance	173,824	24,184
Collective Impairment		
Opening Balance	1,504,275	1,533,034
Charge/(write Back) to income Statement	294,227	37,741
Write-off during the year	-	(56,125)
Other movements	(8,049)	(10,375)
Closing Balance	1,790,453	1,504,275
Total Impairment	1,964,276	1,528,459

4) Due to other customers - By Product

In Rupees Thousand	Bank	
	Current Year As at 31/12/2017 (Audited)	Previous Year As at 31/12/2016 (Audited)
By Product - Domestic Currency		
Savings Deposits	28,050,273	32,669,438
Fixed Deposits	90,839,384	65,031,577
Other Deposits (Long Term Savings)	20,937,708	9,330,706
Total	139,827,365	107,031,721

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS AS AT 31ST DECEMBER 2017

a. Bank - Current Year (Audited)

In Rupees Thousand	HFT	HTM	Loans & Receivables	AFS	Total
ASSETS					
Cash and cash equivalents	-	-	482,920	-	482,920
Sri Lankan Government Securities	-	2,512,363	-	-	2,512,363
Balance with other banks	-	-	27,702,520	-	27,702,520
Placements with banks	-	-	6,682,476	-	6,682,476
Derivative Financial Instruments	-	-	-	-	-
Financial assets held for trading	197	-	-	-	197
Financial assets held to maturity	-	516,935	-	-	516,935
Loans and receivables given to banks	-	-	-	-	-
Loans and receivables given to other customers	-	-	127,508,812	-	127,508,812
Financial Investments	-	-	-	-	-
Other assets	-	-	1,203,617	-	1,203,617
Total Financial Assets	197	3,029,297	163,580,345	-	166,609,838

In Rupees Thousand	HFT	HTM	Amortized Cost	AFS	Total
LIABILITIES					
Due to banks	-	-	10,729,312	-	10,729,312
Derivative financial instruments	-	-	-	-	-
Other financial liabilities at fair value	-	-	-	-	-
through profit or loss	-	-	-	-	-
Due to other customers	-	-	139,827,365	-	139,827,365
Debt securities issued	-	-	4,707,853	-	4,707,853
Other Liabilities	-	-	2,686,029	-	2,686,029
Total Financial liabilities	-	-	157,950,558	-	157,950,558

b. Bank - Previous Year as at 31.12.2016 (Audited)

In Rupees Thousand	HFT	HTM	Loans & Receivables	AFS	Total
ASSETS					
Cash and cash equivalents	-	-	428,698	-	428,698
Balances with other banks	-	-	18,979,572	-	18,979,572
Placements with banks	-	-	1,682,030	-	1,682,030
Derivative Financial Instruments	-	-	-	-	-
Financial assets held for trading	204	-	-	-	204
Financial assets held to maturity	-	516,742	-	-	516,742
Loans and receivables to banks	-	-	-	-	-
Loans and receivables given to other customers	-	-	105,653,631	-	105,653,631
Other assets	-	-	1,036,498	-	1,036,498
Total Financial Assets	204	516,742	127,780,429	-	128,297,375

In Rupees Thousand	HFT	HTM	Amortized Cost	AFS	Total
LIABILITIES					
Due to banks	-	-	11,765,493	-	11,765,493
Derivative financial instruments	-	-	-	-	-
Other financial liabilities at fair value through profit or loss	-	-	-	-	-
Due to other customers	-	-	107,031,721	-	107,031,721
Debt securities issued	-	-	2,708,377	-	2,708,377
Other Liabilities	-	-	2,111,181	-	2,111,181
Total Financial liabilities	-	-	123,616,773	-	123,616,773

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2017

In Rupees Thousand	Bank	
	Current Year 31/12/2017 (Audited)	Previous Year 31/12/2016 (Audited)
Cash Flows from Operating Activities		
Profit before tax	3,306,995	2,130,568
Adjustment for:		
Non-Cash item included in Profits before tax	1,077,334	423,361
Change in Operating assets	(24,958,618)	(19,002,959)
Change in Operating Liabilities	34,542,627	21,615,024
Other reclassification	30	(2)
Contribution paid to defined benefit plans	(47,156)	(22,372)
Tax paid	(1,990,669)	(1,308,146)
Net cash generated from operating activities	11,930,543	3,835,472
Cash flows from investing activities		
Purchase of property, plant and equipment	(303,998)	(385,493)
Proceeds from the sale of property, plant and equipment	1,017	22,706
Net purchase of intangible assets	(20,603)	(16,378)
Net cash (used in)/from investing activities	(323,583)	(379,166)
Cash flow from financing activities		
Net proceeds from the issue of ordinary share capital	2,500,000	-
Net proceeds from the issue of subordinate debt	2,000,000	-
Interest paid on debentures	(460,164)	(209,554)
Dividend paid	-	(137,094)
Net cash from financing activities	4,039,836	(346,648)
Net Increase / (decrease) in cash & cash equivalents	15,646,796	3,109,658
Cash and cash equivalents at the beginning of the year	19,056,079	15,946,421
Cash and cash equivalents at the end of the year	34,702,875	19,056,079
Reconciliation of Cash & Cash Equivalents		
Cash and cash equivalents	482,920	428,698
Favourable Balances with banks	34,384,996	20,661,603
Unfavourable Balances with banks	(165,041)	(2,034,221)
Total	34,702,875	19,056,079

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2017

Bank	Stated Capital/ Assigned Capital	Reserves					Total	Non Controlling Interest	Total Equity
		Ordinary Shares	Assigned Capital	Statutory Reserve Fund	Revaluation Reserve	Retained Earnings			
In rupees thousand									
Balance as at 01/01/2017 (Opening balance)	1,370,937	-	599,456	-	988,284	3,040,268	5,998,946	-	5,998,946
Profit / (loss) for the year	-	-	-	-	1,283,930	-	1,283,930	-	1,283,930
Other comprehensive income (net of Tax)	-	-	-	-	(170,126)	-	(170,126)	-	(170,126)
Transaction with Equity Holders									
Issued Share Capital	2,500,000	-	-	-	-	-	2,500,000	-	2,500,000
Transferred to Statutory Reserve Fund	-	-	64,196	-	(64,196)	-	-	-	-
Transferred to Special Reserve Fund	-	-	-	-	(64,196)	64,196	-	-	-
Transferred to General Reserve Fund	-	-	-	-	(256,786)	256,786	-	-	-
Dividend									