

INTERIM FINANCIAL STATEMENTS

For the Period ended 30th June 2017



Merchant Bank of Sri Lanka & Finance PLC

Rating ICRA " [SL] A "
Co.Reg.No. PQ10

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Merchant Bank of Sri Lanka & Finance PLC

Unaudited Statement of Comprehensive Income

	Company				Group			
	Quarter ended		Six months ended		Quarter ended		Six months ended	
	30/06/2017	30/06/2016	30/06/2017	30/06/2016	30/06/2017	30/06/2016	30/06/2017	30/06/2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
Income	1,642,428	1,162,119	3,035,185	2,198,250	1,857,535	1,469,071	3,505,918	2,811,621
Interest and similar income	1,541,704	1,098,172	2,894,526	2,175,876	1,568,553	1,127,612	2,948,270	2,231,187
Interest and similar expenses	927,858	629,462	1,762,846	1,214,938	928,042	629,702	1,763,255	1,215,429
Net interest income	613,846	468,710	1,131,680	960,938	640,511	497,910	1,185,015	1,015,758
Fee and commission income	43,279	33,833	97,772	63,548	51,664	52,306	120,147	120,124
Fee and commission expenses	36,689	20,217	36,689	20,217	48,758	45,125	63,498	75,510
Net fee and commission income	6,590	13,616	61,083	43,331	2,906	7,181	56,649	44,614
Insurance premium income	-	-	-	-	174,930	255,075	387,286	490,454
Net claims and benefits	-	-	-	-	(99,730)	(190,533)	(233,634)	(350,376)
Net trading income	(14,925)	6,136	(17,972)	10,488	(14,860)	6,164	(17,864)	5,800
Net gain / (loss) on financial assets - held for trading	49,929	16,524	31,620	(73,892)	51,293	16,849	32,049	(70,709)
Other operating income	22,441	7,454	29,239	22,230	25,955	11,065	36,030	34,765
Total operating income	677,881	512,440	1,235,650	963,095	781,005	603,711	1,445,531	1,170,306
Impairment charges from loans and other losses	27,407	(15,665)	15,959	(1,297)	27,407	(3,872)	19,679	11,170
Net operating income	650,474	528,105	1,219,691	964,392	753,598	607,583	1,425,852	1,159,136
Personnel expenses	278,145	190,954	520,239	371,870	319,030	243,672	606,512	477,567
Provision for employee benefit	11,088	12,000	22,175	24,000	12,393	12,963	24,785	26,013
Depreciation of property & equipment	20,324	14,644	40,582	29,618	7,254	19,822	31,767	39,784
Amortization of intangible assets	3,603	3,222	7,258	6,467	21,677	4,613	26,525	10,145
Other operating expenses	160,831	144,577	350,028	302,798	214,232	199,836	459,452	430,540
Total operating expense	473,991	365,397	940,282	734,753	574,586	480,906	1,149,041	984,049
Profit / (loss) from operations	176,483	162,708	279,409	229,639	179,012	126,677	276,811	175,087
Impairment from investment in Group companies	-	-	-	-	-	-	-	-
Profit / (loss) from operations after impairment from subsidiary investments	176,483	162,708	279,409	229,639	179,012	126,677	276,811	175,087
Value added tax (VAT) on financial services	44,414	36,246	85,083	56,026	44,414	36,246	85,083	56,026
Share of associate companies profit before tax	-	-	-	-	(4)	(1,171)	(2,514)	(2,893)
Profit before income tax	132,069	126,462	194,326	173,613	134,594	89,260	189,214	116,168
Income tax expense	29,523	28,758	41,917	38,570	29,523	28,758	41,917	38,570
Profit(loss) for the period	102,546	97,704	152,409	135,043	105,071	60,502	147,297	77,598
Other comprehensive income								
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	-
Fair value reserves (Available for Sale Financial Assets):								
Net change in fair value	8,691	(3,481)	3,119	(45,141)	8,691	(3,481)	3,119	(45,141)
Share of associates companies' other comprehensive income	-	-	-	-	-	-	-	-
Other comprehensive income before tax	8,691	(3,481)	3,119	(45,141)	8,691	(3,481)	3,119	(45,141)
Income tax (charge)/credit relating to components of other comprehensive income	-	-	-	-	-	-	-	-
Other comprehensive income for the period, net of tax	8,691	(3,481)	3,119	(45,141)	8,691	(3,481)	3,119	(45,141)
Total comprehensive income for the period, net of tax	111,237	94,223	155,528	89,902	113,762	57,021	150,416	32,457
Profit for the period attributable to:								
Equity holders of the parent	102,546	97,704	152,409	135,043	104,670	66,224	147,710	86,261
Non controlling interests	-	-	-	-	401	(5,722)	(413)	(8,663)
Profit(loss) for the period	102,546	97,704	152,409	135,043	105,071	60,502	147,297	77,598
Total comprehensive income attributable to:								
Equity holders of the parent	111,237	94,223	155,528	89,902	113,361	62,743	150,829	41,120
Non controlling interests	-	-	-	-	401	(5,722)	(413)	(8,663)
Total comprehensive income attributable to	111,237	94,223	155,528	89,902	113,762	57,021	150,416	32,457
Earnings per share:								
Basic / diluted earnings per share (LKR)	0.62	0.59	0.92	0.81	0.63	0.40	0.89	0.52

Merchant Bank of Sri Lanka & Finance PLC

Unaudited Statement of Financial Position

as at	Company		Group	
	30/06/2017	31/12/2016	30/06/2017	31/12/2016
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	LKR '000	LKR '000	LKR '000	LKR '000
Assets				
Cash and cash equivalents	306,797	401,301	385,826	441,357
Placements with banks & financial institutions	945,206	118,933	1,072,700	262,319
Securities purchased under resale agreements	1,375,943	265,687	1,826,133	730,773
Financial investments - held for trading	214,398	323,655	222,669	331,586
Bills receivable	764,814	739,403	764,814	739,403
Loans & advances to customers	13,011,700	11,320,845	13,086,637	11,392,491
Lease and hire purchase receivable	15,983,943	14,991,751	15,983,943	14,991,751
Financial investments - available for sale	1,797,573	2,735,645	2,144,979	3,126,815
Financial investments - held to maturity	257,283	57,766	257,283	57,766
Real Estate Stock	52,019	24,144	52,019	24,143
Investment in associate company	81,084	81,084	88,811	91,325
Investment in subsidiary	77,306	77,306	-	-
Investment properties	125,226	127,670	125,226	127,670
Property, plant and equipment	300,612	312,337	334,453	354,092
Intangible assets	30,954	37,705	49,890	59,028
Other assets	442,961	318,496	977,245	910,918
Total assets	35,767,819	31,933,728	37,372,628	33,641,437
Liabilities				
Due to banks	211,560	201,635	240,902	224,997
Securities sold under repurchase agreements	421,175	401,820	421,175	401,820
Due to customers	21,027,326	18,518,419	21,027,326	18,518,419
Debt issued and borrowed funds	9,550,577	8,722,787	9,550,577	8,722,787
Insurance provision - life	-	-	532,924	514,258
Insurance provision - non life	-	-	690,903	781,034
Current tax liabilities	161,430	151,128	161,430	141,180
Deferred tax liabilities	213,455	206,888	213,455	206,888
Other liabilities	688,495	404,174	992,576	752,034
Retirement benefits obligations	224,784	213,388	244,387	231,463
Total liabilities	32,498,802	28,820,239	34,075,655	30,494,880
Equity				
Stated capital	2,124,457	2,124,457	2,124,457	2,124,457
Retained earnings	1,005,574	853,165	1,033,993	886,283
Available-for-sale reserve	(18,683)	(21,802)	(33,076)	(36,195)
Statutory reserves	157,669	157,669	157,669	157,669
Total equity attributable to the parent	3,269,017	3,113,489	3,283,043	3,132,214
Non controlling interests	-	-	13,930	14,343
Total equity	3,269,017	3,113,489	3,296,973	3,146,557
Total liabilities and equity	35,767,819	31,933,728	37,372,628	33,641,437
Commitments and contingencies	169,368	132,265	653,580	616,478
Net assets value per share (LKR)	19.71	18.77	19.79	18.88

These Financial Statements are in compliance with the requirements of the Companies Act No. 7 of 2007

(sgd.)
P. I. Kandanaarachchi
Head of Finance

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.
Approved and signed for and on behalf of the Board

(sgd.)
Dr. S. Lokuhewa
Director

Colombo, Sri Lanka
14/Aug/17

(sgd.)
D. M. N. P. Karunapala
Chief Executive Officer

(sgd.)
W. P. R. P. H. Fonseka
Director

Merchant Bank of Sri Lanka & Finance PLC

Unaudited Statement of Changes in Equity

Company	Stated capital LKR ' 000	Statutory reserves LKR ' 000	Available for sale reserve LKR ' 000	Retained profits LKR ' 000	Total equity LKR ' 000
Balance as at 01st January 2016	2,124,457	140,544	(4,350)	734,495	2,995,146
Super gain tax adjustment	-	-	-	-	-
Net profit for the year	-	-	-	135,043	135,043
Other comprehensive income	-	-	(45,141)	-	(45,141)
Balance as at 30th June 2016	2,124,457	140,544	(49,491)	869,538	3,085,048
Balance as at 01st January 2017	2,124,457	157,669	(21,802)	853,165	3,113,489
Net profit for the year	-	-	-	152,409	152,409
Other comprehensive income	-	-	3,119	-	3,119
Transfers to statutory reserve fund	-	-	-	-	-
Balance as at 30th June 2017	2,124,457	157,669	(18,683)	1,005,574	3,269,017

Group	Stated Capital LKR ' 000	Statutory reserves LKR ' 000	Available for sale reserve LKR ' 000	Retained profits LKR ' 000	Non controlling interest LKR ' 000	Total equity LKR ' 000
Balance as at 01st January 2016	2,124,457	140,544	(8,920)	746,023	52,674	3,054,778
Super gain tax adjustment	-	-	-	-	-	-
Net profit for the year	-	-	-	86,261	(8,663)	77,598
Other comprehensive income	-	-	(45,141)	-	-	(45,141)
Balance as at 30th June 2016	2,124,457	140,544	(54,061)	832,284	44,011	3,087,235
Balance as at 01st January 2017	2,124,457	157,669	(36,195)	886,283	14,343	3,146,557
Net profit for the year	-	-	-	147,710	(413)	147,297
Other comprehensive income	-	-	3,119	-	-	3,119
Transfers to statutory reserve fund	-	-	-	-	-	-
Balance as at 30th June 2017	2,124,457	157,669	(33,076)	1,033,993	13,930	3,296,973

Statutory reserve represents the reserve fund of the company created in terms of the Finance Companies (Capital Funds) Direction No. 01 of 2003 issued by the Central Bank of Sri Lanka.

Merchant Bank of Sri Lanka & Finance PLC

Unaudited Statement of Cash Flows

For the year ended 30th June	Company		Group	
	2017 LKR '000	2016 LKR '000	2017 LKR '000	2016 LKR '000
Cash flows from operating activities				
Profit before income tax	194,326	173,613	189,214	116,168
Adjustments for :				
Change in operating assets	(2,876,757)	(2,099,375)	(2,825,631)	(2,182,669)
Change in operating liabilities	2,793,228	1,375,170	2,677,984	1,515,848
Share of associate companies' (profit)/loss before tax	-	-	2,514	2,893
Contribution to defined benefit plans	22,175	24,000	24,785	26,013
Other non-cash items included in profit before tax	9,634	72,606	23,804	96,946
Dividend income	(5,137)	(7,741)	(5,247)	(7,741)
	<u>137,469</u>	<u>(461,727)</u>	<u>87,423</u>	<u>(432,542)</u>
Gratuity paid	(10,779)	(13,736)	(11,861)	(14,137)
Net cash generated from/(used in) operating activities before tax	<u>126,690</u>	<u>(475,463)</u>	<u>75,562</u>	<u>(446,679)</u>
Income tax paid	(31,615)	(12,674)	(21,667)	(12,674)
Net cash generated from/ (used in) operating activities	<u>95,075</u>	<u>(488,137)</u>	<u>53,895</u>	<u>(459,353)</u>
Cash flows from investing activities				
Purchase of financial assets held for trading	(23,628)	(21,475)	(23,968)	(23,896)
Proceeds from disposal of financial assets held for trading	143,279	79,473	143,281	81,912
Purchase of financial investments-AFS & HTM	(396,419)	(1,998,203)	(352,655)	(2,202,948)
Sale of financial investments-AFS & HTM	1,180,014	1,338,262	1,180,014	1,338,262
Net increase/ (decrease) in other investment	(826,273)	439,083	(810,381)	433,810
Purchase of property & equipment & Investment properties	(29,043)	(15,203)	(12,314)	(20,128)
Purchase of intangible assets	6,060	(647)	(10,820)	(13,250)
Proceeds from sale of property & equipments	4,480	7,865	4,480	10,344
Dividend received	5,137	7,741	5,247	7,741
Net cash generated from/ (used in) investing activities	<u>63,607</u>	<u>(163,104)</u>	<u>122,884</u>	<u>(388,153)</u>
Cash flows from financing activities				
Net increase / (decrease) in reverse repo and repo agreements	(1,090,901)	370,762	(1,076,005)	567,974
Net increase/ (decrease) in other borrowings	827,790	31,695	827,790	31,695
Payments on redemption of debentures	-	-	-	-
Net cash generated from/ (used in) financing activities	<u>(263,111)</u>	<u>402,457</u>	<u>(248,215)</u>	<u>599,669</u>
Net increase/ (decrease) in cash and cash equivalents during the year	(104,429)	(248,784)	(71,436)	(247,837)
Cash and cash equivalents at the beginning of the year	199,666	122,768	216,360	158,979
Cash and cash equivalents at the end of the year	<u>95,237</u>	<u>(126,016)</u>	<u>144,924</u>	<u>(88,858)</u>
Note				
Analysis of Cash and Cash Equivalents				
Cash and short term funds	306,797	319,177	385,826	377,944
Dues to banks	(211,560)	(445,193)	(240,902)	(466,802)
	<u>95,237</u>	<u>(126,016)</u>	<u>144,924</u>	<u>(88,858)</u>

1 Reporting entity

Merchant Bank of Sri Lanka & Finance PLC is a public quoted company incorporated and domiciled in Sri Lanka on 04 March 1982. The registered office and principal place of business of the Company is located at the Bank of Ceylon Merchant Tower, No. 28, St Michael's Road, Colombo 03. The shares of the Company are listed in the Colombo Stock Exchange.

In the opinion of the Directors, the Company's parent enterprise and its ultimate parent enterprise is Bank of Ceylon.

The consolidated financial statements comprises of the company, its subsidiary: MBSL Insurance Company Ltd and its interest in associate; Lanka Securities Ltd.

The consolidated financial statements for the year ended were authorized for issue on 14th August 2017, in accordance with the resolution of the directors passed on 14th August 2017.

2 Basis of preparation and accounting policies

Basis of preparation

The interim condensed consolidated financial statements for the period ended 30th June 2017 have been prepared in accordance with LKAS 34 Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements.

Significant accounting policies

The accounting policies adopted in the preparation of interim condensed consolidated financial statements are consistent with those followed in the preparation of Group's annual financial statements for the year ended 31st December 2016.

All known expenses including management fees and similar expenses have been provided in this financial statements.

3 Measurement of Financial Instruments

Company										LKR.'000	
As at	Fair Value through Profit / (Loss)		Loans and receivable		Held to maturity		Available for sale		Total		
	30/06/2017	31/12/2016	30/06/2017	31/12/2016	30/06/2017	31/12/2016	30/06/2017	31/12/2016	30/06/2017	31/12/2016	
Financial assets											
Cash and cash equivalents	-	-	306,797	401,301	-	-	-	-	306,797	401,301	
Placements with banks & financial institutions	-	-	945,206	118,933	-	-	-	-	945,206	118,933	
Securities purchased under resale agreements	-	-	1,375,943	265,687	-	-	-	-	1,375,943	265,687	
Financial investments - held for trading	214,398	323,655	-	-	-	-	-	-	214,398	323,655	
Bills receivable	-	-	764,814	739,403	-	-	-	-	764,814	739,403	
Loans & advances to customers	-	-	13,011,700	11,320,845	-	-	-	-	13,011,700	11,320,845	
Lease and hire purchase receivable	-	-	15,983,943	14,991,751	-	-	-	-	15,983,943	14,991,751	
Financial investments - available for sale	-	-	-	-	-	-	1,797,573	2,735,645	1,797,573	2,735,645	
Financial investments - held to maturity	-	-	-	-	257,283	57,766	-	-	257,283	57,766	
Other assets	-	-	46,456	61,137	-	-	-	-	46,456	61,137	
Total	214,398	323,655	32,434,859	27,899,057	257,283	57,766	1,797,573	2,735,645	34,704,113	31,016,123	

										LKR.'000	
										Total	
										30/06/2017	31/12/2016
Other Financial liabilities											
Due to banks										211,560	201,635
Securities sold under repurchase agreements										421,175	401,820
Due to customers										21,027,326	18,518,419
Debt issued and borrowed funds										9,550,577	8,722,787
Other liabilities										230,736	162,203
Total										31,441,374	28,006,864

Group										LKR.'000	
As at	Fair Value through Profit / (Loss)		Loans and receivable		Held to maturity		Available for sale		Total		
	30/06/2017	31/12/2016	30/06/2017	31/12/2016	30/06/2017	31/12/2016	30/06/2017	31/12/2016	30/06/2017	31/12/2016	
Financial assets											
Cash and cash equivalents	-	-	385,826	441,357	-	-	-	-	385,826	441,357	
Placements with banks & financial institutions	-	-	1,072,700	262,319	-	-	-	-	1,072,700	262,319	
Securities purchased under resale agreements	-	-	1,826,133	730,773	-	-	-	-	1,826,133	730,773	
Financial investments - held for trading	222,669	331,586	-	-	-	-	-	-	222,669	331,586	
Bills receivable	-	-	764,814	739,403	-	-	-	-	764,814	739,403	
Loans & advances to customers	-	-	13,086,637	11,392,491	-	-	-	-	13,086,637	11,392,491	
Lease and hire purchase receivable	-	-	15,983,943	14,991,751	-	-	-	-	15,983,943	14,991,751	
Financial investments - available for sale	-	-	-	-	-	-	2,144,979	3,126,815	2,144,979	3,126,815	
Financial investments - held to maturity	-	-	-	-	257,283	57,766	-	-	257,283	57,766	
Other assets	-	-	46,456	61,137	-	-	-	-	46,456	61,137	
Total	222,669	331,586	33,166,509	28,619,231	257,283	57,766	2,144,979	3,126,815	35,791,440	32,135,398	

										LKR.'000	
										Total	
										30/06/2017	31/12/2016
Other Financial liabilities											
Due to banks										240,902	224,997
Securities sold under repurchase agreements										421,175	401,820
Due to customers										21,027,326	18,518,419
Debt issued and borrowed funds										9,550,577	8,722,787
Other liabilities										230,736	162,203
Total										31,470,716	28,030,226

4 Movement in individual and collective impairment during the period

	LKR. '000			
	Company		Group	
	2017	2016	2017	2016
Impairment charges from loans and other losses				
Impairment from Loans and advances_individual impairment (Note 4.1)	18,198	35,157	18,198	35,157
Impairment from Loans and advances_collective impairment (Note 4.2)	(2,239)	(36,454)	1,481	(23,986)
	15,959	(1,297)	19,679	11,170
4.1 Individual impairment charges				
As at 01 January	685,041	1,047,962	685,041	1,047,962
Charge to income statement from loans and advances	18,198	35,157	18,198	35,157
Write off	(10,738)	-	(10,738)	-
As at 30th June	692,501	1,083,119	692,501	1,083,119
4.2 Collective impairment charges				
As at 01 January	391,886	450,034	391,886	450,034
Charge to income statement from loans and advances	(2,239)	(36,454)	1,481	(23,986)
Write off	-	-	-	-
As at 30th June	389,647	413,580	393,367	426,048
Loans and advances impairment	1,082,148	1,496,699	1,085,868	1,509,167

5 Segment Information

For management purposes, the group is organised into business units based on their products and services, and has four reportable operating segments as follows:

- The Leasing segment includes providing Finance Leases and Hire Purchase facilities.
- The Loan segment includes providing personal loans, term loans, bill discounting, cheque discounting, micro finance and bank guarantees.
- Corporate advisory includes corporate advisory services and capital market activities.
- The insurance includes general and life insurance.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects.

The following table presents income, profit and asset information regarding the group's operating segments for the year ended 30th June 2017 and comparative figures for the year ended 30th June 2016

Group	Lease & HP		Loans		Corporate Advisory		Insurance		Unallocated		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000
For the Period ended 30th June												
External Revenue												
Interest and similar income	1,481,311	1,205,147	1,223,913	822,535	11,101	8,682	53,744	55,311	178,201	139,512	2,948,270	2,231,187
Fee and other income	21,742	21,786	57,710	2,589	5,166	10,848	416,560	554,876	24,421	61,044	525,599	651,143
Net gain / (loss) on financial assets - held for trading	-	-	-	-	32,049	(70,709)	-	-	-	-	32,049	(70,709)
	1,503,053	1,226,933	1,281,623	825,124	48,316	(51,179)	470,304	610,187	202,622	200,556	3,505,918	2,811,621
Inter - segment Revenue	-	-	-	-	450	450	-	-	(450)	(450)	-	-
Total Income	1,503,053	1,226,933	1,281,623	825,124	48,766	(50,729)	470,304	610,187	202,172	200,106	3,505,918	2,811,621
Segment result	206,845	298,571	314,110	170,072	(781)	(102,103)	(2,597)	(54,552)	(240,766)	(136,901)	276,811	175,087
Total assets	16,000,369	15,004,916	13,705,512	11,918,770	395,078	535,072	1,663,975	2,001,925	5,607,694	4,180,754	37,372,628	33,641,437

6 Information on Debentures

Debenture Categories	CSE Listing	Interest Payable Frequency	Face Value as at 30/6/2017 LKR' 000	Market Values			Interest Rates		Interest rate of comparable Government Security %	Interest yield			Yield to Maturity		
				Highest LKR.	Lowest LKR.	Period end LKR.	Coupon Rate	Effective Annual Yield		Highest	Lowest	Last traded	Highest	Lowest	Last traded
Fixed Rate															
Mar 2013 - Mar 2018	Listed	Annually	625,110	93.23	93.23	93.23	17.50%	17.50%	10.48%	18.77%	18.77%	18.77%	26.10%	26.10%	26.10%
Mar 2013 - Mar 2018	Listed	Quarterly	723,190	100.00	100.00	100.00	16.70%	17.78%	10.48%	16.70%	16.70%	16.70%	16.62%	16.62%	16.62%
Mar 2013 - Mar 2018	Listed	Monthly	166,460	102.53	102.53	102.53	16.50%	17.81%	10.48%	16.09%	16.09%	16.09%	13.21%	13.21%	13.21%
Dec 2013 - Dec 2017	Listed	Annually	674,770	Not traded during the quarter			14.25%	14.25%	10.48%	Not traded during the quarter			Not traded during the quarter		
Dec 2013 - Dec 2017	Listed	Quarterly	17,540	Not traded during the quarter			13.50%	14.20%	10.48%	Not traded during the quarter			Not traded during the quarter		
Dec 2013 - Dec 2017	Listed	Monthly	11,470	100.00	100.00	100.00	13.25%	14.09%	10.48%	13.25%	13.25%	13.25%	12.64%	12.64%	12.64%
Nov 2014 - Nov 2019	Listed	Annually	909,770	Not traded during the quarter			9.00%	9.00%	11.03%	Not traded during the quarter			Not traded during the quarter		
Nov 2014 - Nov 2019	Listed	Bi Annually	1,090,230	Not traded during the quarter			8.75%	8.94%	11.03%	Not traded during the quarter			Not traded during the quarter		
May 2017 - May 2022	Listed	Annually	805,760	Not traded during the quarter			15.00%	15.00%	11.53%	Not traded during the quarter			Not traded during the quarter		
May 2017 - May 2022	Listed	Bi Annually	1,193,230	Not traded during the quarter			14.50%	15.56%	11.53%	Not traded during the quarter			Not traded during the quarter		
May 2017 - May 2022	Listed	Bi Annually	1,010	Not traded during the quarter			13.90%	14.38%	11.53%	Not traded during the quarter			Not traded during the quarter		
Total Debentures			6,218,540												

All debentures are unsecured. Company has not repurchased any of its own debts and has not had any default of principal, interest or other breaches with regard to all liabilities during the period.

7 Events after the statement of financial position date

Mr. C. N. Wijewardana, Non-Executive Non Independent Director resigned from the directorate of the Company with effect from 21st July 2017.

8 Information on ordinary shares

As at		30/06/2017	31/12/2016
Net asset per share (LKR)	- Company	19.71	18.77
	- Group	19.79	18.88
Market price per share recorded during the quarter ended 30th June (LKR)		2017	2016
	-High	15.40 (19-6-2017)	14.80 (15-4-2017)
	-Low	11.00 (3-4-2017)	10.10 (1-4-2017)
	-Last Transaction	14.90 (30-6-2017)	12.00 (30-6-2017)
As at		30/06/2017	31/12/2016
Number of shares issued		165,874,541	165,874,541
Stated capital (LKR)		2,124,457,307	2,124,457,307
Ratios as at		30/06/2017	31/12/2016
Debt / Equity Ratio		3.1	3.0
Statutory Liquid Asset Ratio		14.01%	10.55%
Ratios for the period ended		30/06/2017	30/06/2016
Interest Cover		1.110	1.143

9 Twenty largest share holders as at 30th June 2017

	Name of the share holder	No. of Shares	Holding %
01	Bank of Ceylon No. 1 Account	123,562,267	74.49%
02	Bank of Ceylon A/C Ceybank Unit Trust	10,803,183	6.51%
03	MR. M.M. Fuad	1,132,690	0.68%
04	Richard Peiris Financial Services (Pvt) Ltd / Mr. M. A. A. Karim	668,089	0.40%
05	Merrill J Fernando & Sons (Pvt) Ltd	526,165	0.32%
06	People's Leasing & Finance PLC / Mr. D. M. P. Disanayake	432,485	0.26%
07	MRS. F.F. Hanifa	411,108	0.25%
08	Seylan Bank PLC / Spice of Life (Pvt) Ltd	405,234	0.24%
09	Hatton National Bank PLC / Mr. D. N. Sellamutt	386,301	0.23%
10	Mr. N. Balasingam	381,400	0.23%
11	Seylan Bank PLC / Prime Lands (Pvt) Ltd	375,000	0.23%
12	MR. U.H. Dharmadasa	355,495	0.21%
13	Mr. B.T. Prathapasinghe	345,000	0.21%
14	Mr. A. Chelliah (Deceased)	333,800	0.20%
15	Colombo Trust Finance PLC / MF.F. Haniffa	307,117	0.19%
16	Mr. A. M. Weerasinghe	305,583	0.18%
17	People's Leasing & Finance PLC / Mr. L. P. Hapangama	300,000	0.18%
18	Bartleet Produce Marketing (Pvt) Ltd	300,000	0.18%
19	LB Finance PLC / Mr. K. T. R. P. Samarathunga	300,000	0.18%
20	Mr. W. L. T. Anandawansa	282,039	0.17%

The percentage of shares held by the public as at 30th June 2017 was 25.50% and the number of public shareholders as at 30th June 2017 were 11,374

10 Directors' shareholding as at 30th June 2017

Name of the Director	No. of Shares
Dr. S. Lokuheva	Nil
Mr. C. N. Wijewardana	4,235
Mr. D. M. Gunasekara	Nil
Mr. W. P. R. P. H. Fonseka	Nil
Mr. K. B. S. Bandara	Nil
Mr. N. Perera	Nil
Mr. S. N. Dayaratne	Nil
Mr. S. P. Arsakularatne	Nil
Mr. H. J. D. Fonseka	Nil
Mr. R. M. D. V. Jayabahu (Alternate Director)	Nil
Mr. D. M. L. N. Dassanayake (Alternate Director)	Nil

11 CEO's shareholding as at 30th June 2017

Mr.T.Mutugala	Nil
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