

UNAUDITED FINANCIAL STATEMENTS

For the Period ended 31st March 2018



Merchant Bank of Sri Lanka & Finance PLC

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

Bank of Ceylon Merchant Tower,
No. 28, St. Michael's Road,
Colombo 03, Sri Lanka.
Tel: 011-4711711 Fax: 011-4711765
Email: mbslbank@mbslbank.com
Web Site: www.mbslbank.com

Merchant Bank of Sri Lanka & Finance PLC

Unaudited Statement of Profit or Loss

	Company			Group		
	Quarter ended			Quarter ended		
	31/03/2018 (Unaudited) LKR '000	31/03/2017 (Unaudited) LKR '000	Change %	31/03/2018 (Unaudited) LKR '000	31/03/2017 (Unaudited) LKR '000	Change %
Income	1,608,654	1,392,154	15.6	1,683,098	1,647,780	2.1
Interest and similar income	1,529,748	1,343,872	13.8	1,551,221	1,370,767	13.2
Interest and similar expenses	927,183	827,556	12.0	932,336	827,781	12.6
Net interest income	602,565	516,316	16.7	618,885	542,986	14.0
Fee and commission income	51,231	51,043	0.4	51,218	65,033	(21.2)
Fee and commission expenses	1,344	17,618	(92.4)	3,688	32,358	(88.6)
Net fee and commission income	49,887	33,425	49.3	47,530	32,675	45.5
Insurance premium income	-	-	-	48,462	212,356	(77.2)
Net claims and benefits	-	-	-	(48,572)	(133,904)	63.7
Net trading income	2,742	(3,651)	175.1	2,785	(3,608)	177.2
Net gain / (loss) on financial assets - held for trading	6,289	(18,309)	134.3	7,404	(19,244)	138.5
Other operating income	18,644	19,199	(2.9)	22,008	22,476	(2.1)
Total operating income	680,127	546,980	24.3	698,502	653,737	6.8
Impairment charges from loans and other losses	234,964	(11,448)	2,152.4	235,939	(7,728)	3,153.0
Net operating income	445,163	558,428	(20.3)	462,563	661,465	(30.1)
Personnel expenses	276,882	242,094	14.4	301,543	287,482	4.9
Provision for employee benefit	12,000	11,087	8.2	13,305	12,392	7.4
Depreciation of property & equipment	20,458	20,258	1.0	22,752	24,513	(7.2)
Amortization of intangible assets	10,003	3,655	173.7	11,465	4,848	136.5
Other operating expenses	179,801	178,408	0.8	205,698	234,431	(12.3)
Total operating expense	499,144	455,502	9.6	554,763	563,666	(1.6)
Profit / (loss) from operations	(53,981)	102,926	(152.4)	(92,200)	97,799	(194.3)
Impairment from investment in Group companies	-	-	-	-	-	-
Profit / (loss) from operations after impairment from subsidiary investments	(53,981)	102,926	(152.4)	(92,200)	97,799	(194.3)
Value added tax (VAT) on financial services	29,184	40,669	(28.2)	29,184	40,669	(28.2)
Share of associate companies profit before tax	-	-	-	(1,798)	(2,510)	28.4
Profit before income tax	(83,165)	62,257	(233.6)	(123,182)	54,620	(325.5)
Income tax expense / (Reversal)	-	12,394	(100.0)	-	12,393	(100.0)
Profit/(loss) for the period	(83,165)	49,863	(266.8)	(123,182)	42,227	(391.7)
Profit for the period attributable to:						
Equity holders of the parent	(83,165)	49,863	(266.8)	(117,112)	43,041	(372.1)
Non controlling interests	-	-	-	(6,070)	(814)	(645.7)
Profit/(loss) for the period	(83,165)	49,863	(266.8)	(123,182)	42,227	(391.7)
Earnings per share:						
Basic / diluted earnings per share (LKR)	(0.50)	0.30	(266.8)	(0.71)	0.26	(372.1)

Merchant Bank of Sri Lanka & Finance PLC

Unaudited Statement of Comprehensive Income

	Company			Group		
	Quarter ended			Quarter ended		
	31/03/2018 (Unaudited) LKR '000	31/03/2017 (Unaudited) LKR '000	Change %	31/03/2018 (Unaudited) LKR '000	31/03/2017 (Unaudited) LKR '000	Change %
Profit/(loss) for the period	(83,165)	49,863	(266.8)	(123,182)	42,227	(391.7)
Other comprehensive income for the period						
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-
Fair value reserves (Available for Sale Financial Assets):						
Net change in fair value	(702)	(5,572)	87.4	(703)	(5,572)	87.4
Share of associates companies' other comprehensive income	-	-	-	-	-	-
Other comprehensive income before tax	(702)	(5,572)	87.4	(703)	(5,572)	87.4
Income tax (charge)/credit relating to components of other comprehensive income	-	-	-	-	-	-
Other comprehensive income for the period, net of tax	(702)	(5,572)	87.4	(703)	(5,572)	87.4
Total comprehensive income for the period, net of tax	(83,867)	44,291	(289.4)	(123,885)	36,655	(438.0)
Total comprehensive income attributable to:						
Equity holders of the parent	(83,867)	44,291	(289.4)	(117,814)	37,469	(414.4)
Non controlling interests	-	-	-	(6,070)	(814)	(645.7)
	(83,867)	44,291	(289.4)	(123,884)	36,655	(438.0)

Merchant Bank of Sri Lanka & Finance PLC

Unaudited Statement of Financial Position

as at	Company			Group		
	31/03/2018	31/12/2017	Change	31/03/2018	31/12/2017	Change
	(Unaudited)	(Audited)	%	(Unaudited)	(Audited)	%
	LKR '000	LKR '000		LKR '000	LKR '000	
Assets						
Cash and cash equivalents	329,559	418,885	(21.3)	438,992	466,139	(5.8)
Placements with banks & financial institutions	420,266	1,509,597	(72.2)	536,810	1,597,785	(66.4)
Securities purchased under resale agreements	1,224,457	1,302,748	(6.0)	1,574,807	1,651,927	(4.7)
Financial investments - held for trading	266,281	231,264	15.1	274,384	238,252	15.2
Bills receivable	599,275	494,096	21.3	599,275	494,096	21.3
Loans & advances to customers	12,561,759	12,598,133	(0.3)	12,619,238	12,592,956	0.2
Lease and hire purchase receivable	15,696,723	15,661,432	0.2	15,696,723	15,661,432	0.2
Financial investments - available for sale	1,480,806	1,815,181	(18.4)	1,858,746	2,191,842	(15.2)
Financial investments - held to maturity	61,417	479,362	(87.2)	61,417	479,362	(87.2)
Real Estate Stock	141,140	42,603	231.3	141,140	42,603	231.3
Investment in associate company	81,084	81,084	-	90,655	92,453	(1.9)
Investment in subsidiary	21,117	21,117	-	-	-	-
Investment properties	123,047	123,773	(0.6)	123,047	123,773	(0.6)
Property, plant and equipment	322,724	321,660	0.3	346,756	347,393	(0.2)
Intangible assets	220,021	226,293	(2.8)	235,375	244,526	(3.7)
Other assets	415,581	317,979	30.7	757,383	692,427	9.4
Total assets	33,965,257	35,645,207	(4.7)	35,354,748	36,916,966	(4.2)
Liabilities						
Due to banks	590,652	123,849	376.9	599,348	129,877	361.5
Securities sold under repurchase agreements	439,693	437,672	0.5	439,693	437,672	0.5
Due to customers	20,401,513	21,918,869	(6.9)	20,401,513	21,910,383	(6.9)
Debt issued and borrowed funds	8,195,680	8,818,862	(7.1)	8,195,680	8,818,862	(7.1)
Insurance provision - life	-	-	-	565,618	547,026	3.4
Insurance provision - non life	-	-	-	390,504	430,093	(9.2)
Current tax liabilities	(6,158)	7,473	(182.4)	(6,158)	7,473	(182.4)
Deferred tax liabilities	373,711	373,711	-	373,711	373,711	-
Other liabilities	547,137	467,965	16.9	967,325	719,713	34.4
Retirement benefits obligations	273,076	262,986	3.8	292,242	283,000	3.3
Total liabilities	30,815,304	32,411,387	(4.9)	32,219,476	33,657,810	(4.3)
Equity						
Stated capital	2,124,457	2,124,457	-	2,124,457	2,124,457	-
Retained earnings	841,782	924,947	(9.0)	831,303	177,839	367.4
Available-for-sale reserve	5,875	6,577	(10.7)	598	948,415	(99.9)
Statutory reserves	177,839	177,839	-	177,839	1,300	13,579.9
Total equity attributable to the parent	3,149,953	3,233,820	(2.6)	3,134,197	3,252,011	(3.6)
Non controlling interests	-	-	-	1,075	7,145	(85.0)
Total equity	3,149,953	3,233,820	(2.6)	3,135,272	3,259,156	(3.8)
Total liabilities and equity	33,965,257	35,645,207	(4.7)	35,354,748	36,916,966	(4.2)
Commitments and contingencies	158,108	167,712	(5.7)	158,108	183,166	(13.7)
Net assets value per share (LKR)	18.99	19.50	(2.6)	18.89	19.61	(3.6)

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
 11/May/18

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

(sgd.)
K. B. S. Bandara
 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 2017	2,124,457	157,669	(21,802)	846,189	3,106,513
Net profit for the period	-	-	-	49,863	49,863
Other comprehensive income	-	-	(5,572)	-	(5,572)
Balance as at 31st March 2017	2,124,457	157,669	(27,374)	896,052	3,150,804
Balance as at 01st January 2018	2,124,457	177,839	6,577	924,947	3,233,820
Net profit for the period	-	-	-	(83,165)	(83,165)
Other comprehensive income	-	-	(702)	-	(702)
Balance as at 31st March 2018	2,124,457	177,839	5,875	841,782	3,149,953

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 2017	2,124,457	157,669	(36,195)	879,309	14,343	3,139,583
Net profit for the period	-	-	-	43,041	(814)	42,227
Other comprehensive income	-	-	(5,572)	-	-	(5,572)
Balance as at 31st March 2017	2,124,457	157,669	(41,767)	922,350	13,529	3,176,238
Balance as at 01st January 2018	2,124,457	177,839	1,300	948,415	7,145	3,259,156
Net profit for the period	-	-	-	(117,112)	(6,070)	(123,182)
Other comprehensive income	-	-	(702)	-	-	(702)
Balance as at 31st March 2018	2,124,457	177,839	598	831,303	1,075	3,135,272

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 period ended 31st March

	Company		Group	
	2018 LKR '000	2017 LKR '000	2018 LKR '000	2017 LKR '000
Cash flows from operating activities				
Profit before income tax	(83,165)	62,257	(123,182)	54,620
Adjustments for :				
Change in operating assets	(535,199)	(1,313,674)	(566,184)	(1,278,187)
Change in operating liabilities	(1,451,815)	477,316	(1,282,255)	475,298
Share of associate companies' (profit)/loss before tax	-	-	1,798	2,510
Contribution to defined benefit plans	12,000	11,087	13,305	12,392
Other non-cash items included in profit before tax	251,294	(19,406)	255,112	(9,303)
Dividend income	(1,287)	(2,152)	(1,330)	(2,195)
	(1,808,172)	(784,572)	(1,702,736)	(744,865)
Gratuity paid	(1,910)	(643)	(4,063)	(1,267)
Net cash generated from/(used in) operating activities before tax	(1,810,082)	(785,215)	(1,706,799)	(746,132)
Income tax paid	-	(19,441)	(13,631)	(9,493)
Net cash generated from/ (used in) operating activities	(1,810,082)	(804,656)	(1,720,430)	(755,625)
Cash flows from investing activities				
Purchase of financial assets held for trading	(86,914)	(1,766)	(86,914)	(1,763)
Proceeds from disposal of financial assets held for trading	59,641	52,560	59,641	52,560
Proceeds from financial investments-AFS & HTM	758,005	-	756,725	42,476
Net (increase)/decrease in other investment	1,089,331	18,389	1,060,975	14,775
Purchase of property & equipment & Investment properties	(20,796)	(7,291)	(21,591)	(7,348)
Purchase of intangible assets	(3,731)	-	(2,313)	-
Dividend received	1,287	2,152	1,330	2,195
Net cash generated from/ (used in) investing activities	1,796,823	64,044	1,767,853	102,895
Cash flows from financing activities				
Net increase / (decrease) in reverse repo and repo agreements	80,312	(24,935)	79,141	(82,650)
Net increase/ (decrease) in other borrowings	891,578	369,250	891,578	369,250
Payments on redemption of debentures	(1,514,760)	-	(1,514,760)	-
Net cash generated from/ (used in) financing activities	(542,870)	344,315	(544,041)	286,600
Net increase/ (decrease) in cash and cash equivalents during the period	(556,129)	(396,297)	(496,618)	(366,130)
Cash and cash equivalents at the beginning of the period	295,036	199,666	336,262	216,360
Cash and cash equivalents at the end of the period	(261,093)	(196,631)	(160,356)	(149,770)
Note				
Analysis of Cash and Cash Equivalents				
Cash and short term funds	329,559	353,144	438,992	412,931
Dues to banks	(590,652)	(549,775)	(599,348)	(562,701)
	(261,093)	(196,631)	(160,356)	(149,770)

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, it's subsidiary; MBSL Insurance Company Ltd and it's interest in associate; Lanka Securities Ltd.

The consolidated financial statements for the period ended were authorized for issue on 11th May 2018, in accordance with the resolution of the directors passed on 11th May 2018.

2 Basis of preparation and accounting policies

Basis of preparation

The interim condensed consolidated financial statements for the period ended 31st March 2018 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 2017.

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

3 Measurement of Financial Instruments

Company	LKR.'000									
	Fair value through Profit / (Loss)		Loans and receivable		Held-to-maturity		Available-for-sale		Total	
	31/03/2018	31/12/2017	31/03/2018	31/12/2017	31/03/2018	31/12/2017	31/03/2018	31/12/2017	31/03/2018	31/12/2017
As at										
Financial assets										
Cash and cash equivalents	-	-	329,559	418,885	-	-	-	-	329,559	418,885
Placements with banks & financial institutions	-	-	420,266	1,509,597	-	-	-	-	420,266	1,509,597
Securities purchased under resale agreements	-	-	1,224,457	1,302,748	-	-	-	-	1,224,457	1,302,748
Financial investments - held for trading	266,281	231,264	-	-	-	-	-	-	266,281	231,264
Bills receivable	-	-	599,275	494,096	-	-	-	-	599,275	494,096
Loans & advances to customers	-	-	12,561,759	12,598,133	-	-	-	-	12,561,759	12,598,133
Lease and hire purchase receivable	-	-	15,696,723	15,661,432	-	-	-	-	15,696,723	15,661,432
Financial investments - available for sale	-	-	-	-	-	-	1,480,806	1,815,181	1,480,806	1,815,181
Financial investments - held to maturity	-	-	-	-	61,417	479,362	-	-	61,417	479,362
Other assets	-	-	52,140	46,865	-	-	-	-	52,140	46,865
Total	266,281	231,264	30,884,179	32,031,756	61,417	479,362	1,480,806	1,815,181	32,692,683	34,557,563

Other Financial liabilities	LKR.'000			
	Other financial liabilities at amortised cost		Total	
	31/03/2018	31/12/2017	31/03/2018	31/12/2017
As at				
Other Financial liabilities				
Due to banks	590,652	123,849	590,652	123,849
Securities sold under repurchase agreements	439,693	437,672	439,693	437,672
Due to customers	20,401,513	21,918,869	20,401,513	21,918,869
Debt issued and borrowed funds	8,195,680	8,818,862	8,195,680	8,818,862
Other liabilities	359,184	338,072	359,184	338,072
Total	29,986,722	31,637,324	29,986,722	31,637,324

Group	LKR.'000									
	Fair value through Profit / (Loss)		Loans and receivable		Held-to-maturity		Available-for-sale		Total	
	31/03/2018	31/12/2017	31/03/2018	31/12/2017	31/03/2018	31/12/2017	31/03/2018	31/12/2017	31/03/2018	31/12/2017
As at										
Financial assets										
Cash and cash equivalents	-	-	438,992	466,139	-	-	-	-	438,992	466,139
Placements with banks & financial institutions	-	-	536,810	1,597,785	-	-	-	-	536,810	1,597,785
Securities purchased under resale agreements	-	-	1,574,807	1,651,927	-	-	-	-	1,574,807	1,651,927
Financial investments - held for trading	274,384	238,252	-	-	-	-	-	-	274,384	238,252
Bills receivable	-	-	599,275	494,096	-	-	-	-	599,275	494,096
Loans & advances to customers	-	-	12,619,238	12,592,956	-	-	-	-	12,619,238	12,592,956
Lease and hire purchase receivable	-	-	15,696,723	15,661,432	-	-	-	-	15,696,723	15,661,432
Financial investments - available for sale	-	-	-	-	-	-	1,858,746	2,191,842	1,858,746	2,191,842
Financial investments - held to maturity	-	-	-	-	61,417	479,362	-	-	61,417	479,362
Other assets	-	-	52,140	46,865	-	-	-	-	52,140	46,865
Total	274,384	238,252	31,517,985	32,511,200	61,417	479,362	1,858,746	2,191,842	33,712,532	35,420,656

Other Financial liabilities	LKR.'000			
	Other financial liabilities at amortised cost		Total	
	31/03/2018	31/12/2017	31/03/2018	31/12/2017
As at				
Other Financial liabilities				
Due to banks	599,348	129,877	599,348	129,877
Securities sold under repurchase agreements	439,693	437,672	439,693	437,672
Due to customers	20,401,513	21,910,383	20,401,513	21,910,383
Debt issued and borrowed funds	8,195,680	8,818,862	8,195,680	8,818,862
Other liabilities	359,184.25	338,072	359,184.25	338,072
Total	29,995,418	31,634,866	29,995,418	31,634,866

4 Movement in individual and collective impairment during the period

	LKR. '000			
	Company		Group	
	2018	2017	2018	2017
Impairment charges from loans and other losses				
Impairment from Loans and advances_individual impairment (Note 4.1)	180,486	5,408	180,486	5,408
Impairment from Loans and advances_collective impairment (Note 4.2)	54,478	(16,856)	55,453	(13,136)
	234,964	(11,448)	235,939	(7,728)
4.1 Individual impairment charges				
As at 01 January	723,189	685,041	723,189	685,041
Charge to income statement from loans and advances	180,486	5,408	180,486	5,408
Write off	-	(5,511)	-	(5,511)
As at 31st March	903,675	684,938	903,675	684,938
4.2 Collective impairment charges				
As at 01 January	587,367	391,886	587,367	391,886
Charge to income statement from loans and advances	54,478	(16,856)	55,453	(13,136)
Write off	-	-	-	-
As at 31st March	641,846	375,030	642,821	378,750
Loans and advances impairment	1,545,521	1,059,968	1,546,496	1,063,688

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 period ended 31st March 2018 and comparative figures for the period ended 31st March 2017.

Group	Lease & HP		Loans		Corporate Advisory		Insurance		Unallocated		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	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 31st March												
External Revenue												
Interest and similar income	773,688	680,314	633,113	572,772	5,370	4,774	21,473	26,895	117,577	86,012	1,551,221	1,370,767
Fee and other income	18,810	16,580	22,291	9,023	1,314	(1,259)	51,856	229,665	30,202	42,248	124,473	296,257
Net gain / (loss) on financial assets - held for trading	-	-	-	-	7,404	(19,244)	-	-	-	-	7,404	(19,244)
	792,498	696,894	655,404	581,795	14,088	(15,729)	73,329	256,560	147,779	128,260	1,683,098	1,647,780
Inter - segment Revenue	-	-	-	-	225	225	-	-	(225)	(225)	-	-
Total Income	792,498	696,894	655,404	581,795	14,313	(15,504)	73,329	256,560	147,554	128,035	1,683,098	1,647,780
Segment result	133,138	95,094	114,480	139,472	(7,457)	(37,419)	(38,218)	(5,128)	(294,143)	(94,220)	(92,200)	97,799
Total assets	15,710,424	15,678,023	13,085,073	12,998,170	495,153	400,592	1,391,093	1,757,407	4,673,005	6,082,774	35,354,748	36,916,966

6 Information on Debentures

Debenture Categories	CSE Listing	Interest Payable Frequency	Face Value as at 31/3/2018 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															
Nov 2014 - Nov 2019	Listed	Annually	909,770	Not traded during the quarter			9.00%	9.00%	9.74%	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%	9.74%	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%	10.16%	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%	15.03%	10.16%	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%	10.16%	Not traded during the quarter			Not traded during the quarter		
Total Debentures			4,000,000												

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. D. M. Gunasekara, Mr. R. M. D. V. Jayabahu (Alternate Director) and Mr. D. M. L. B. Dassanayake (Alternate Director) resigned from their directorate of the Company with effect from 27th April 2018.

8 Information on ordinary shares

As at		31/03/2018	31/12/2017
Net asset per share (LKR)	- Company	18.99	19.50
	- Group	18.89	19.61

Market price per share recorded during the quarter ended 31st March (LKR)		2018	2017
	-High	14.70 (6-3-2018)	14.00 (3-1-2017)
	-Low	12.60 (21-3-2018)	10.60 (31-3-2017)
	-Last Transaction	13.00 (29-3-2018)	10.80 (31-3-2017)

As at		31/03/2018	31/12/2017
Number of shares issued		165,874,541	165,874,541
Stated capital (LKR)		2,124,457,307	2,124,457,307

Ratios as at		31/03/2018	31/12/2017
Debt / Equity Ratio		2.9	2.9
Statutory Liquid Asset Ratio		12.32%	11.26%

Ratios for the period ended		31/03/2018	31/03/2017
Interest Cover		0.910	1.075

9 Twenty largest share holders as at 31st March 2018

	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	11,775,514	7.10%
03	MR. M.M. Fuad	850,643	0.51%
04	Sandwave Ltd	670,053	0.40%
05	People's Leasing & Finance PLC / Mr. D. M. P. Disanayake	632,485	0.38%
06	Merrill J Fernando & Sons (Pvt) Ltd	526,165	0.32%
07	Richard Peiris Financial Services (Pvt) Ltd / Mr. M. A. A. Karim	450,000	0.27%
08	Seylan Bank PLC / Spice of Life (Pvt) Ltd	405,234	0.24%
09	MRS. K.V. Hewavitarne	400,000	0.24%
10	Hatton National Bank PLC / Mr. D. N. Sellamuttu	386,301	0.23%
11	Mr. N. Balasingam	381,400	0.23%
12	Seylan Bank PLC / Prime Lands (Pvt) Ltd	375,000	0.23%
13	MRS. F.F. Hanifa	352,481	0.21%
14	Mr. B. T. Prathapasinghe	345,000	0.21%
15	Mr. A. Chelliah (Deceased)	333,800	0.20%
16	Mr. A. M. Weerasinghe	305,583	0.18%
17	Bartleet Produce Marketing (Pvt) Ltd	300,000	0.18%
18	People's Leasing & Finance PLC / Mr. L. P. Hapangama	300,000	0.18%
19	Mr. W. L. T. Anandawansa	282,039	0.17%
20	Colombo Trust Finance PLC / Mrs. F. F. Hanifa	281,790	0.17%

The percentage of shares held by the public as at 31st March 2018 was 25.51% and the number of public shareholders as at 31st March 2018 were 11,158

10 Directors' shareholding as at 31st March 2018

Name of the Director	No. of Shares
Dr. S. Lokuhewa	Nil
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. R. M. D. V. Jayabahu (Alternate Director)	Nil
Mr. D. M. L. B. Dassanayake (Alternate Director)	Nil

11 CEO's shareholding as at 31st March 2018

Mr. D. M. N. P. Karunapala	21
----------------------------	----