

UNAUDITED FINANCIAL STATEMENTS

For the Period ended 31st December 2016



Merchant Bank of Sri Lanka & Finance PLC

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 Comprehensive Income

	Company				Group			
	Quarter ended		Twelve months ended		Quarter ended		Twelve months ended	
	31/12/2016 (Unaudited) LKR '000	31/12/2015 (Unaudited) LKR '000	31/12/2016 (Unaudited) LKR '000	31/12/2015 (Audited) LKR '000	31/12/2016 (Unaudited) LKR '000	31/12/2015 (Unaudited) LKR '000	31/12/2016 (Unaudited) LKR '000	31/12/2015 (Audited) LKR '000
Income	1,418,463	1,108,572	4,888,155	4,199,057	1,715,675	1,415,963	6,122,878	5,411,561
Interest and similar income	1,359,572	1,074,373	4,737,774	4,055,225	1,388,744	1,099,219	4,853,007	4,146,125
Interest and similar expenses	775,704	549,350	2,709,604	2,133,325	775,949	549,602	2,710,557	2,134,351
Net interest income	583,868	525,023	2,028,170	1,921,900	612,795	549,617	2,142,450	2,011,774
Fee and commission income	10,823	10,940	41,455	42,640	15,365	49,092	117,578	197,659
Fee and commission expenses	-	-	-	-	(1,129)	22,522	82,557	99,898
Net fee and commission income	10,823	10,940	41,455	42,640	16,494	26,570	35,021	97,761
Insurance premium income	-	-	-	-	240,822	210,787	1,005,556	903,910
Net claims and benefits	-	-	-	-	(315,808)	(151,045)	(845,430)	(616,128)
Net trading income	(271)	11,277	(22,445)	41,288	(52)	11,866	(26,905)	42,957
Net gain / (loss) on financial assets - held for trading	(20,402)	(26,048)	(28,579)	(54,137)	(20,994)	(26,098)	(25,709)	(55,336)
Other operating income	68,741	38,030	159,950	114,041	91,790	71,097	199,351	176,246
Total operating income	642,759	559,222	2,178,551	2,065,732	625,047	692,794	2,484,334	2,561,184
Impairment charges from loans and other losses	26,047	46,073	24,239	462,151	17,300	46,747	27,959	474,618
Net operating income	616,712	513,149	2,154,312	1,603,581	607,747	646,047	2,456,375	2,086,566
Personnel expenses	221,751	180,577	781,530	670,740	272,590	234,302	993,084	857,116
Provision for employee benefit	4,464	6,648	40,464	42,648	6,377	9,599	45,527	47,751
Depreciation of property & equipment	18,855	16,553	63,572	59,022	22,954	19,517	82,651	79,897
Amortization of intangible assets	4,129	3,018	14,098	11,148	6,152	7,340	21,588	20,269
Other operating expenses	169,650	157,732	670,156	610,267	257,132	277,007	953,625	975,134
Total operating expense	418,849	364,528	1,569,820	1,393,825	565,205	547,765	2,096,475	1,980,167
Profit / (loss) from operations	197,863	148,621	584,492	209,756	42,542	98,282	359,900	106,399
Impairment from investment in Group companies	232,891	205,899	232,891	205,899	-	18,193	-	18,193
Profit / (loss) from operations after impairment from subsidiary investments	(35,028)	(57,278)	351,601	3,857	42,542	80,089	359,900	88,206
Value added tax (VAT) on financial services	30,359	17,893	111,730	57,219	30,359	17,893	111,730	57,219
Share of associate companies profit before tax	-	-	-	-	(3,579)	205	(5,437)	7,080
Profit before income tax	(65,387)	(75,171)	239,871	(53,362)	8,604	62,401	242,732	38,067
Income tax expense	15,819	31,750	63,721	37,857	27,231	50,713	75,133	57,645
Profit/(loss) for the period	(81,206)	(106,921)	176,150	(91,219)	(18,627)	11,688	167,599	(19,578)
Other comprehensive income								
Actuarial gains/(losses) on defined benefit plans	39,068	32,603	39,068	32,603	40,125	31,215	40,125	31,215
Fair value reserves (Available for Sale Financial Assets):								
Net change in fair value	(7,819)	(12,179)	(17,453)	(47,835)	(19,495)	(18,177)	(29,129)	(53,833)
Share of associates companies' other comprehensive income	-	-	-	-	1,035	(726)	1,035	(726)
Other comprehensive income before tax	31,249	20,424	21,615	(15,232)	21,665	12,312	12,031	(23,344)
Income tax (charge)/credit relating to components of other comprehensive income	(100,702)	(11,072)	(100,702)	(11,072)	(100,702)	(11,072)	(100,702)	(11,072)
Other comprehensive income for the period, net of tax	(69,453)	9,352	(79,087)	(26,304)	(79,037)	1,240	(88,671)	(34,416)
Total comprehensive income for the period, net of tax	(150,659)	(97,569)	97,063	(117,523)	(97,664)	12,928	78,928	(53,994)
Profit for the period attributable to:								
Equity holders of the parent	(81,206)	(106,921)	176,150	(91,219)	7,729	22,138	204,957	(709)
Non controlling interests	-	-	-	-	(26,356)	(10,450)	(37,356)	(18,869)
Profit/(loss) for the period	(81,206)	(106,921)	176,150	(91,219)	(18,627)	11,688	167,601	(19,578)
Total comprehensive income attributable to:								
Equity holders of the parent	(150,659)	(97,569)	97,063	(117,523)	(69,623)	24,551	117,973	(33,952)
Non controlling interests	-	-	-	-	(28,041)	(11,623)	(39,045)	(20,042)
	(150,659)	(97,569)	97,063	(117,523)	(97,664)	12,928	78,928	(53,994)
Earnings per share:								
Basic / diluted earnings per share (LKR)	(0.49)	(0.64)	1.06	(0.55)	0.05	0.13	1.24	(0.00)

Merchant Bank of Sri Lanka & Finance PLC

Unaudited Statement of Financial Position

as at	Company		Group	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	LKR '000	LKR '000	LKR '000	LKR '000
Assets				
Cash and cash equivalents	401,418	380,830	441,474	432,947
Placements with banks & financial institutions	118,933	440,093	262,319	571,672
Securities purchased under resale agreements	265,687	785,965	730,773	1,609,702
Financial investments - fair value through profit / (loss)	323,656	541,970	331,584	552,741
Bills receivable	739,403	595,888	739,403	595,888
Loans & advances to customers	11,320,845	8,406,632	11,392,491	8,505,054
Lease and hire purchase rental receivable	14,991,751	14,223,259	14,991,751	14,223,259
Financial investments - available for sale	2,735,645	1,754,206	3,126,815	1,994,857
Financial investments - held to maturity	57,766	56,507	57,766	56,507
Real Estate Stock	24,143	62,545	24,143	62,545
Investments in associate company	81,084	81,084	91,325	96,484
Investments in subsidiary	77,306	310,197	-	-
Investment properties	102,120	145,840	102,120	145,840
Non current assets - held for sale	25,550	-	25,550	-
Property and equipment	312,337	219,260	354,091	273,122
Intangible assets	37,705	38,816	59,028	71,380
Other assets	318,497	231,455	905,260	712,333
Total assets	31,933,846	28,274,547	33,635,893	29,904,331
Liabilities				
Due to banks	201,635	258,062	224,999	273,968
Securities sold under repurchase agreements	401,820	416,472	401,820	416,472
Due to customers	18,518,419	15,846,306	18,518,419	15,846,306
Debt issued and borrowed funds	8,722,787	7,883,323	8,722,787	7,883,323
Insurance provision - life	-	-	514,675	444,257
Insurance provision - non life	-	-	775,375	512,333
Current tax liabilities	146,990	141,263	146,990	141,263
Deferred tax liabilities	214,370	113,669	214,370	113,669
Other liabilities	404,294	356,840	751,978	956,610
Employee benefit liability	213,388	245,532	231,463	262,040
Total liabilities	28,823,703	25,261,467	30,502,876	26,850,241
Equity				
Stated capital	2,124,457	2,124,457	2,124,457	2,124,457
Retained profits	831,714	752,429	854,679	744,662
Available-for-sale reserve	(21,802)	(4,350)	(36,194)	(8,919)
Statutory reserves	175,774	140,544	175,774	140,544
Total equity attributable to the parent	3,110,143	3,013,080	3,118,716	3,000,744
Non controlling interests	-	-	14,301	53,346
Total equity	3,110,143	3,013,080	3,133,017	3,054,090
Total liabilities and equity	31,933,846	28,274,547	33,635,893	29,904,331
Commitments and contingencies	122,936	123,536	545,479	546,079
Net assets value per share (LKR)	18.75	18.16	18.80	18.09

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

P. I. Kandanaarachchi
Head of Finance

T. Mutugala
Chief Executive Officer

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

(sgd.)
N. Perera
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 2015	2,124,457	140,544	43,485	842,936	3,151,422
Super gain tax adjustment	-	-	-	(38,753)	(38,753)
Net profit for the year	-	-	-	(91,219)	(91,219)
Other comprehensive income	-	-	(47,835)	21,531	(26,304)
Balance as at 31st December 2015	2,124,457	140,544	(4,350)	734,495	2,995,146
Adjustment made due to notional tax	-	-	-	17,934	17,934
#REF!	2,124,457	140,544	(4,350)	752,429	3,013,080
Balance as at 01st January 2016	2,124,457	140,544	(4,350)	752,429	3,013,080
Net profit for the year	-	-	-	176,150	176,150
Other comprehensive income	-	-	(17,452)	(61,635)	(79,087)
Transfers to statutory reserve fund	-	35,230	-	(35,230)	-
Balance as at 31st December 2016	2,124,457	175,774	(21,802)	831,714	3,110,143

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 2015	2,124,457	140,544	43,961	742,987	72,715	3,124,664
Super gain tax adjustment	-	-	-	(38,753)	-	(38,753)
Net profit for the year	-	-	-	(709)	(18,869)	(19,578)
Other comprehensive income	-	-	(52,880)	19,637	(1,173)	(34,416)
Balance as at 31st December 2015	2,124,457	140,544	(8,919)	723,162	52,673	3,031,917
Adjustment made due to notional tax	-	-	-	17,934	-	17,934
Adjustment due to amortization of intangible assets	-	-	-	3,566	673	4,239
Balance as at 31st December 2015	2,124,457	140,544	(8,919)	744,662	53,346	3,054,090
Balance as at 01st January 2016	2,124,457	140,544	(8,919)	744,662	53,346	3,054,090
Net profit for the year	-	-	-	204,957	(37,356)	167,601
Other comprehensive income	-	-	(27,275)	(59,709)	(1,689)	(88,673)
Transfers to statutory reserve fund	-	35,230	-	(35,230)	-	-
Balance as at 31st December 2016	2,124,457	175,774	(36,194)	854,679	14,301	3,133,018

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 31st December	Company		Group	
	2016	2015	2016	2015
	LKR '000	LKR '000	LKR '000	LKR '000
Cash flows from operating activities				
Profit before income tax	239,871	(53,362)	242,732	38,067
Adjustments for :				
Change in operating assets	(3,899,099)	(2,971,588)	(3,981,931)	(2,898,457)
Change in operating liabilities	2,719,567	4,416,592	2,800,942	4,671,855
Share of associate companies' (profit)/loss before tax	-	-	5,437	(7,080)
Contribution to defined benefit plans	40,464	42,648	45,527	47,751
Other non-cash items included in profit before tax	219,616	610,963	18,878	451,330
Dividend income	(12,853)	(14,008)	(13,127)	(12,559)
	<u>(692,434)</u>	<u>2,031,245</u>	<u>(881,542)</u>	<u>2,290,907</u>
Gratuity paid	(33,540)	(11,564)	(35,979)	(13,603)
Net cash generated from/(used in) operating activities before tax	<u>(725,974)</u>	<u>2,019,681</u>	<u>(917,521)</u>	<u>2,277,304</u>
Income tax paid	(57,994)	(89,315)	(69,684)	(89,315)
Net cash generated from/ (used in) operating activities	<u>(783,968)</u>	<u>1,930,366</u>	<u>(987,205)</u>	<u>2,187,988</u>
Cash flows from investing activities				
Purchase of financial assets held for trading	(34,539)	(563,386)	(31,669)	(563,595)
Proceeds from disposal of financial assets held for trading	188,976	879,520	187,085	882,543
Purchase of financial investments-AFS & HTM	(3,082,223)	(2,639,079)	(3,243,383)	(2,843,193)
Sale of financial investments-AFS & HTM	2,228,223	2,704,596	2,228,223	2,719,096
Net increase/ (decrease) in other investment	321,160	1,274,323	309,353	1,281,409
Purchase of property & equipment & Investment properties	(150,144)	(81,487)	(161,115)	(89,803)
Purchase of intangible assets	(12,987)	(19,415)	(9,236)	(22,879)
Proceeds from sale of property & equipments	44,574	3,329	48,574	3,329
Dividend received	12,853	14,008	13,127	15,346
Net cash generated from/ (used in) investing activities	<u>(484,107)</u>	<u>1,572,409</u>	<u>(659,041)</u>	<u>1,382,253</u>
Cash flows from financing activities				
Net increase / (decrease) in reverse repo and repo agreements	505,626	(246,438)	864,277	(321,914)
Net increase/ (decrease) in other borrowings	839,464	(3,017,390)	839,465	(3,017,390)
Payments on redemption of debentures	-	(268,080)	-	(268,080)
Net cash generated from/ (used in) financing activities	<u>1,345,090</u>	<u>(3,531,908)</u>	<u>1,703,742</u>	<u>(3,607,383)</u>
Net increase/ (decrease) in cash and cash equivalents during the year	77,015	(29,133)	57,496	(37,142)
Cash and cash equivalents at the beginning of the year	122,768	151,901	158,979	196,121
Cash and cash equivalents at the end of the year	<u>199,783</u>	<u>122,768</u>	<u>216,475</u>	<u>158,979</u>
Note				
Analysis of Cash and Cash Equivalents				
Cash and short term funds	401,418	380,830	441,474	432,947
Dues to banks	(201,635)	(258,062)	(224,999)	(273,968)
	<u>199,783</u>	<u>122,768</u>	<u>216,475</u>	<u>158,979</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 28th February 2017, in accordance with the resolution of the directors passed on 28th February 2017.

2 Basis of preparation and accounting policies

Basis of preparation

The interim condensed consolidated financial statements for the period ended 31st December 2016 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 2015

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

3 Measurement of Financial Instruments

Company As at	Fair Value through Profit / (Loss)		Loans and receivable		Held to maturity		Available for sale		Total	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015	31/12/2016	31/12/2015	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Financial assets										
Cash and cash equivalents	-	-	401,418	380,830	-	-	-	-	401,418	380,830
Placements with banks & financial institutions	-	-	118,933	440,093	-	-	-	-	118,933	440,093
Securities purchased under resale agreements	-	-	265,687	785,965	-	-	-	-	265,687	785,965
Financial investments - fair value through profit / (loss)	323,656	541,970	-	-	-	-	-	-	323,656	541,970
Bills receivable	-	-	739,403	595,888	-	-	-	-	739,403	595,888
Loans & advances to customers	-	-	11,320,845	8,406,632	-	-	-	-	11,320,845	8,406,632
Lease and hire purchase rental receivable	-	-	14,991,751	14,223,259	-	-	-	-	14,991,751	14,223,259
Financial investments - available for sale	-	-	-	-	-	-	2,735,645	1,754,206	2,735,645	1,754,206
Financial investments - held to maturity	-	-	-	-	57,766	56,507	-	-	57,766	56,507
Other assets	-	-	96,687	61,137	-	-	-	-	96,687	61,137
Total	323,656	541,970	27,934,724	24,893,804	57,766	56,507	2,735,645	1,754,206	31,051,791	27,246,487

	Total	
	31/12/2016	31/12/2015
Other Financial liabilities		
Due to banks	201,635	258,062
Securities sold under repurchase agreements	401,820	416,472
Due to customers	18,518,419	15,846,306
Debt issued and borrowed funds	8,722,787	7,883,323
Other liabilities	156,716	162,203
Total	28,001,377	24,566,366

Group As at	Fair Value through Profit / (Loss)		Loans and receivable		Held to maturity		Available for sale		Total	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015	31/12/2016	31/12/2015	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Financial assets										
Cash and cash equivalents	-	-	441,474	432,947	-	-	-	-	441,474	432,947
Placements with banks & financial institutions	-	-	262,319	571,672	-	-	-	-	262,319	571,672
Securities purchased under resale agreements	-	-	730,773	1,609,702	-	-	-	-	730,773	1,609,702
Financial investments - fair value through profit / (loss)	331,584	552,741	-	-	-	-	-	-	331,584	552,741
Bills receivable	-	-	739,403	595,888	-	-	-	-	739,403	595,888
Loans & advances to customers	-	-	11,392,491	8,505,054	-	-	-	-	11,392,491	8,505,054
Lease and hire purchase rental receivable	-	-	14,991,751	14,223,259	-	-	-	-	14,991,751	14,223,259
Financial investments - available for sale	-	-	-	-	-	-	3,126,815	1,994,857	3,126,815	1,994,857
Financial investments - held to maturity	-	-	-	-	57,766	56,507	-	-	57,766	56,507
Other assets	-	-	96,687	61,137	-	-	-	-	96,687	61,137
Total	331,584	552,741	28,654,898	25,999,659	57,766	56,507	3,126,815	1,994,857	32,171,063	28,603,764

	Total	
	31/12/2016	31/12/2015
Other Financial liabilities		
Due to banks	224,999	273,968
Securities sold under repurchase agreements	401,820	416,472
Due to customers	18,518,419	15,846,306
Debt issued and borrowed funds	8,722,787	7,883,323
Other liabilities	156,716	162,203
Total	28,024,741	24,582,272

4 Movement in individual and collective impairment during the period

	LKR. '000			
	Company		Group	
	2016	2015	2016	2015
Impairment charges from loans and other losses				
Impairment from Loans and advances_individual impairment (Note 4.1)	82,263	300,376	82,263	312,843
Impairment from Loans and advances_collective impairment (Note 4.2)	(58,148)	161,775	(54,428)	161,775
	24,115	462,151	27,835	474,618
4.1 Individual impairment charges				
As at 01 January	1,047,962	931,117	1,060,428	931,117
Charge to income statement from loans and advances	82,263	300,376	82,263	312,843
Write off	(445,185)	(183,531)	(445,185)	(183,532)
As at 31st December	685,041	1,047,962	697,507	1,060,428
4.2 Collective impairment charges				
As at 01 January	450,034	288,259	450,034	288,259
Charge to income statement from loans and advances	(58,148)	161,775	(54,428)	161,775
Write off	-	-	-	-
As at 31st December	391,886	450,034	395,606	450,034
Loans and advances impairment	1,076,927	1,497,995	1,093,113	1,510,462

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 31st December 2016 and comparative figures for the year ended 31st December 2015

Group	Lease & HP		Loans		Corporate Advisory		Insurance		Unallocated		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	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 December												
External Revenue												
Interest and similar income	2,511,325	2,327,757	1,876,346	1,437,745	18,469	17,524	115,234	90,900	331,633	272,199	4,853,007	4,146,125
Fee and other income	44,190	46,901	9,702	8,320	(21,835)	48,571	1,116,619	1,125,591	146,904	91,389	1,295,580	1,320,772
Net gain / (loss) on financial assets - held for trading	-	-	-	-	(25,709)	(55,336)	-	-	-	-	(25,709)	(55,336)
	2,555,515	2,374,658	1,886,048	1,446,065	(29,075)	10,759	1,231,853	1,216,491	478,537	363,588	6,122,878	5,411,561
Inter - segment Revenue	-	-	-	-	900	900	-	-	(900)	(900)	-	-
Total Income	2,555,515	2,374,658	1,886,048	1,446,065	(28,175)	11,659	1,231,853	1,216,491	477,637	362,688	6,122,878	5,411,561
Segment result	448,660	463,078	401,953	118,132	(117,873)	(107,706)	(224,593)	(100,569)	(148,247)	(284,729)	359,900	88,206
Total assets	15,007,846	14,235,105	11,966,336	8,834,592	496,480	778,556	1,769,112	1,920,339	4,396,119	4,113,562	33,635,893	29,882,154

6 Information on Debentures

Debenture Categories	CSE Listing	Interest Payable Frequency	Face Value as at 31/12/2016 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	Not traded during the quarter			17.50%	17.50%	11.08%	Not traded during the quarter			Not traded during the quarter		
Mar 2013 - Mar 2017	Listed	Annually	485,240	102.56	102.56	102.56	17.25%	17.25%	9.65%	16.82%	16.82%	16.82%	10.66%	10.66%	10.66%
Mar 2013 - Mar 2018	Listed	Quarterly	723,190	Not traded during the quarter			16.70%	17.78%	11.08%	Not traded during the quarter			Not traded during the quarter		
Mar 2013 - Mar 2018	Listed	Monthly	166,460	Not traded during the quarter			16.50%	17.81%	11.08%	Not traded during the quarter			Not traded during the quarter		
Dec 2013 - Dec 2017	Listed	Annually	674,770	Not traded during the quarter			14.25%	14.25%	10.96%	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%	10.96%	Not traded during the quarter			Not traded during the quarter		
Dec 2013 - Dec 2017	Listed	Monthly	11,470	Not traded during the quarter			13.25%	14.09%	10.96%	Not traded during the quarter			Not traded during the quarter		
Nov 2014 - Nov 2019	Listed	Annually	909,770	Not traded during the quarter			9.00%	9.00%	11.94%	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%	11.94%	Not traded during the quarter			Not traded during the quarter		
Total Debentures			4,703,780												

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

There were no material events that took place since 31st December 2016 that require disclosure in these financial statements.

8 Information on ordinary shares

As at		31/12/2016	31/12/2015
Net asset per share (LKR)	- Company	18.75	18.16
	- Group	18.80	18.09

Market price per share recorded during the quarter ended 31st December (LKR)		2016	2015
	-High	16.50 (12-10-2016)	17.00 (23-10-2015)
	-Low	13.20 (30-11-2016)	14.20 (15-12-2015)
	-Last Transaction	13.60 (31-12-2016)	15.00 (31-12-2015)

As at		31/12/2016	31/12/2015
Number of shares issued		165,874,541	165,874,541
Stated capital (LKR)		2,124,457,307	2,124,457,307

Ratios as at		31/12/2016	31/12/2015
Debt / Equity Ratio		3.0	2.8
Statutory Liquid Asset Ratio		10.75%	11.25%

Ratios for the period ended		31/12/2016	31/12/2015
Interest Cover		1.089	0.975

9 Twenty largest share holders as at 31st December 2016

	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	10,796,141	6.51%
03	Phoenix Ventures Private Limited	2,632,493	1.59%
04	Richard Peiris Financial Services (Pvt) Ltd / M.A.A.	529,860	0.32%
05	Merrill J Fernando & Sons (Pvt) Limited	526,165	0.32%
06	People's Leasing & Finance PLC / Mr. D. M. P. Disanayake	428,450	0.26%
07	Seylan Bank PLC / Spice of Life (Pvt) Ltd	387,934	0.23%
08	Hatton National Bank PLC / Mr. Dinesh Nagendra Sellamuttu	386,301	0.23%
09	Mr. N. Balasingam	381,400	0.23%
10	Prime Lands (Pvt) Ltd	375,000	0.23%
11	Mr. B.T. Prathapasinghe	345,000	0.21%
12	Mr. A. Chelliah (Deceased)	333,800	0.20%
13	LB Finance PLC / Mr. K.T.R.P. Samarathunga	312,401	0.19%
14	Mr. M.M.Fuad	310,114	0.19%
15	Mr. A. M. Weerasinghe	305,583	0.18%
16	Bartleet Produce Marketing (Pvt) Limited	300,000	0.18%
17	People's Leasing & Finance PLC / Mr. L. P. Hapangama	300,000	0.18%
18	Mr. W.L.T. Anandawansa	282,039	0.17%
19	Asha Financial Services Limited / Mr. C. N. Pakianathan	275,200	0.17%
20	D. S. L. Investments (Private) Ltd	269,603	0.16%

The percentage of shares held by the public as at 31st December 2016 was 25.50% and the number of public shareholders as at 31st December 2016 were 11,457

10 Directors' shareholding as at 31st December 2016

Name of the Director	No. of Shares
Dr. Sujeewa Lokuheewa	Nil
Mr. C. N. Wijewardane	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

11 CEO's shareholding as at 31st December 2016

Mr.T.Mutugala	Nil
---------------	-----