



**INTERIM FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2018**

COMPANY REGISTRATION NO : PQ 48

In Rupee Thousands

Income Statement						
	For the Year ended 31st December		Change	For the Quarter ended 31st December		Change
	2018 *	2017	%	2018 **	2017	%
Interest Income	19,157,135	15,616,013	23	5,157,916	3,902,772	32
Interest Expense	(12,638,841)	(10,909,740)	16	(3,351,980)	(2,867,566)	17
Net Interest Income	6,518,294	4,706,273	39	1,805,936	1,035,206	74
Fees and Commission Income	1,626,410	1,408,276	15	394,953	360,103	10
Fees and Commission Expense	(106,729)	(96,332)	11	(19,767)	(32,214)	(39)
Net Fee and Commission Income	1,519,681	1,311,944	16	375,186	327,890	14
Net Gain from Trading	476,430	391,398	22	48,745	132,595	(63)
Net Gain from Financial Investments	-	824	(100)	-	824	(100)
Other Operating Income	412,218	268,161	54	126,034	59,926	110
Total Operating Income	8,926,623	6,678,600	34	2,355,901	1,556,441	51
Impairment for Loans and Other Losses / (Reversals)						
Individual Impairment	1,297,300	337,265	285	272,955	(52,804)	617
Collective Impairment	719,847	160,173	349	212,492	(18,514)	1,248
Others	-	(3,051)	100	-	(2,754)	100
Net Operating Income	6,909,476	6,184,213	12	1,870,454	1,630,513	15
Operating Expenses						
Personnel Expenses	1,863,074	1,624,035	15	429,364	425,481	1
Depreciation and Amortisation	193,811	213,491	(9)	47,790	50,778	(6)
Other Expenses	2,251,936	1,894,754	19	587,057	527,892	11
Operating Profit before Taxes & Levies on Financial Services	2,600,655	2,451,933	6	806,243	626,362	29
Taxes and Levies on Financial Services	690,999	576,478	20	221,438	134,462	65
Profit before Tax	1,909,656	1,875,455	2	584,805	491,900	19
Tax Expense	368,014	484,954	(24)	123,405	19,482	533
Profit for the Period	1,541,642	1,390,501	11	461,400	472,418	(2)
Earnings Per Share - Basic /Diluted (Annualised) (Rs)	3.48	3.31		4.14	4.46	

*The amounts for the year ended 31st December 2018 have been prepared in accordance with Sri Lanka Accounting Standard –SLFRS 9 (Financial Instruments), whereas prior period amounts have not been restated.

**The additional provision relevant to the financial year 2018 arising from application of SLFRS 9 has been charged to the quarter ended 31st December 2018.

In Rupee Thousands

Statement of Comprehensive Income						
	For the Year ended 31st December		Change %	For the Quarter ended 31st December		Change %
	2018 *	2017		2018 **	2017	
Profit for the Year	1,541,642	1,390,501	11	461,400	472,418	(2)
Other Comprehensive Income						
Revaluation Surplus on Property Plant and Equipment	-	547,963	(100)	-	-	-
Deferred Tax Effect	-	(175,463)	(100)	-	(168,351)	(100)
	-	372,500	(100)	-	(168,351)	(100)
Actuarial Gain / (Losses) on Defined Benefits Plan	25,532	(42,426)	160	25,532	(42,426)	160
Deferred Tax Effect	(7,149)	11,879	160	(7,149)	11,879	160
	18,383	(30,547)	160	18,383	(30,547)	160
Other Comprehensive Income for the Period	18,383	341,953	(95)	18,383	(198,898)	109
Total Comprehensive Income for the Period	1,560,025	1,732,454	(10)	479,783	273,520	75

*The amounts for the year ended 31st December 2018 have been prepared in accordance with Sri Lanka Accounting Standard –SLFRS 9 (Financial Instruments), whereas prior period amounts have not been restated.

**The additional provision relevant to the financial year 2018 arising from application of SLFRS 9 has been charged to the quarter ended 31st December 2018.

Statement of Financial Position

	As at 31/12/2018	As at 31/12/2017	Change %
Assets			
Cash and Cash Equivalents	2,214,106	1,665,041	33
Balances with Central Bank of Sri Lanka	6,481,994	6,884,018	(6)
Placements with Banks	-	237,368	(100)
Derivative Financial Instruments	210	16,091	(99)
Financial Assets at Fair Value through Profit or Loss	11,629	4,549,189	(100)
Financial Assets at Amortised Cost			
-Loans and Advances	108,168,861	-	100
-Debt and Other Instruments	34,074,558	-	100
Loans and Receivables to Banks	-	653,088	(100)
Loans and Receivables to Other Customers	-	109,139,936	(100)
Financial Assets - Fair Value through Other Comprehensive Income	6,158	-	100
Financial Investments - Available for Sale	-	6,158	(100)
Financial Investments - Held to Maturity	-	12,287,192	(100)
Property, Plant and Equipment	1,934,574	1,989,971	(3)
Intangible Assets	305,083	284,390	7
Deferred Tax Assets	4,931	-	100
Other Assets	824,179	789,243	4
Total Assets	154,026,283	138,501,685	11
Liabilities			
Due to Banks	1,744,207	2,497,901	(30)
Derivative Financial Instruments	114	7,367	100
Financial Liabilities at Amortised Cost			
-Due to Depositors	118,627,349	107,193,030	11
-Due to Debt Securities holders	13,295,604	8,465,787	57
Debentures Issued	5,809,186	7,147,052	(19)
Current Tax Liabilities	785,735	550,342	43
Deferred Tax Liabilities	-	630,734	(100)
Other Provisions and Accruals	208,398	229,536	(9)
Other Liabilities	2,309,046	1,110,050	108
Total Liabilities	142,779,639	127,831,799	12
Equity			
Stated Capital	3,614,253	3,614,253	-
Statutory Reserve Fund	451,189	374,106	21
Retained Earnings	6,557,389	6,050,893	8
Revaluation Reserve	623,813	630,634	(1)
Total Equity	11,246,644	10,669,886	5
Total Equity and Liabilities	154,026,283	138,501,685	11
Commitments and Contingencies	44,169,941	32,426,389	36
Net Asset Value per Share (Rs.)	25.41	24.11	5
Memorandum Information			
Number of Employees	1,497	1,472	
Number of Branches	85	85	

In Rupee Thousands

Statement of Changes In Equity						
	Stated Capital*		Reserves			Total
	Ordinary Voting Shares	Ordinary Non-Voting Shares	Statutory Reserve Fund	Revaluation Reserve	Retained Earnings	
Balance as at 01/01/2017	1,548,966	-	304,581	264,498	4,754,100	6,872,145
Total Comprehensive Income for the Period						
Profit for the Period	-	-	-	-	1,390,501	1,390,501
Other Comprehensive Income for the Period	-	-	-	372,500	(30,547)	341,953
Total Comprehensive Income for the Period	-	-	-	372,500	1,359,954	1,732,454
Transactions with Equity Holders, Recognised Directly in Equity, Contribution by and Distribution to Equity Holders						
Right Issue of Shares	2,065,287	-	-	-	-	2,065,287
Total Contribution by and Distribution to Equity Holders	2,065,287	-	-	-	-	2,065,287
Other Transaction						
Transfer to Statutory Reserve Fund	-	-	69,525	-	(69,525)	-
Realisation of Revaluation Reserve	-	-	-	(6,364)	6,364	-
Total Other Transactions	-	-	69,525	(6,364)	(63,161)	-
Balance as at 31/12/2017	3,614,253	-	374,106	630,634	6,050,893	10,669,886
Balance as at 01/01/2018	3,614,253	-	374,106	630,634	6,050,893	10,669,886
Impact of adopting SLFRS 09	-	-	-	-	(1,365,652)	(1,365,652)
Deferred Tax impact on above	-	-	-	-	382,384	382,384
Restated Balance as at 01/01/2018 Under SLFRS 09	3,614,253	-	374,106	630,634	5,067,625	9,686,618
Total Comprehensive Income for the Period						
Profit for the Period	-	-	-	-	1,541,642	1,541,642
Other Comprehensive Income for the Period	-	-	-	-	18,384	18,384
Total Comprehensive Income for the Period	-	-	-	-	1,560,026	1,560,026
Transactions with Equity Holders, Recognised Directly in Equity, Contribution by and Distribution to Equity Holders	-	-	-	-	-	-
Other Transactions						
Transfer to Statutory Reserve Fund	-	-	77,083	-	(77,083)	-
Realisation of Revaluation Reserve	-	-	-	(6,821)	6,821	-
Total Other Transactions	-	-	77,083	(6,821)	(70,262)	-
Balance as at 31/12/2018	3,614,253	-	451,189	623,813	6,557,389	11,246,644

* Number of Ordinary Shares (Voting) as at 31st December 2018 - 442,561,629

In Rupee Thousands

Statement of Cash Flows		
	Current Year From 01/01/18 To 31/12/18	Previous Year From 01/01/17 To 31/12/17
Cash Flows from Operating Activities		
Profit before Tax	1,909,656	1,875,455
<i>Adjustment for:</i>		
Non Cash Items Included in Profit before Tax	2,275,562	768,637
Change in Operating Assets	(30,906,383)	(18,418,100)
Change in Operating Liabilities	14,268,920	4,569,929
Interest Expense on Debentures and Other Term Debts	1,406,563	1,146,797
Gratuity Paid	(27,834)	(30,579)
Income Tax Paid	(393,052)	(336,144)
Net Cash Flows From Operating Activities	(11,466,568)	(10,424,005)
Cash Flows from Investing Activities		
Acquisition of Property, Plant and Equipment	(104,738)	(134,338)
Proceeds from the Sale of Property, Plant and Equipment	2,798	125
Net Investment in Held to Maturity Investments	12,287,192	9,466,236
Acquisition of Intangible Assets	(55,064)	(1,751)
Net Cash Flows From Investing Activities	12,130,188	9,330,272
Cash Flows from Financing Activities		
Proceeds from the Right Issue	-	2,065,288
Proceeds from Term Borrowings	2,870,094	1,074,850
Redemption of Debentures	(1,309,145)	(750,000)
Repayment of Term Borrowings	(500,000)	-
Interest Paid on Debentures and Other Term Debts	(1,412,872)	(1,172,543)
Net Cash Flows From Financing Activities	(351,923)	1,217,595
Net Increase in Cash & Cash Equivalents	311,697	123,862
Cash and Cash Equivalents at the beginning of the Year	1,902,409	1,778,547
Cash and Cash Equivalents at the end of the Year	2,214,106	1,902,409

In Rupee Thousands

Measurement of Financial Instruments					
As at 31/12/2018	Financial Assets at Fair Value through Profit or Loss	Financial Assets at FVOCI	Financial Assets and Liabilities at Amortised Cost	Derivative Financial Instruments at Fair Value	Total
Financial Assets					
Cash and Cash Equivalents	-	-	2,214,106	-	2,214,106
Balances with Central Bank of Sri Lanka	-	-	6,481,994	-	6,481,994
Placements with Banks	-	-	-	-	-
Derivative Financial Instruments	-	-	-	210	210
Financial Assets at Fair Value through Profit or Loss	11,629	-	-	-	11,629
Financial Assets at Amortised Cost-Loans and Advances	-	-	108,168,861	-	108,168,861
Financial Assets at Amortised Cost-Debt and Other Instruments	-	-	34,074,558	-	34,074,558
Financial Assets at Fair Value through Other Comprehensive Income	-	6,158	-	-	6,158
Total Financial Assets	11,629	6,158	150,939,519	210	150,957,516
Financial Liabilities					
Due to Banks	-	-	1,744,207	-	1,744,207
Derivative Financial Instruments	-	-	-	114	114
Due to Depositors	-	-	118,627,349	-	118,627,349
Due to Debt Securities Holders	-	-	13,295,604	-	13,295,604
Debenture Issued	-	-	5,809,186	-	5,809,186
Total Financial Liabilities	-	-	139,476,346	114	139,476,460

In Rupee Thousands

Measurement of Financial Instruments						
As at 31/12/2017	Financial Assets Held for Trading at Fair Value	Available for Sale Financial Assets at Fair Value	Loans & Receivables / Financial Liabilities- At Amortised Cost	Held to Maturity at Amortised Cost	Derivative Financial Instruments at Fair Value	Total
Financial Assets						
Cash and Cash Equivalents	-	-	1,665,041	-	-	1,665,041
Balances with Central Bank of Sri Lanka	-	-	6,884,018	-	-	6,884,018
Placements with Banks	-	-	237,368	-	-	237,368
Derivative Financial Instruments	-	-	-	-	16,091	16,091
Other Financial Assets Held for Trading	4,549,189	-	-	-	-	4,549,189
Loans and Receivables to Banks	-	-	653,088	-	-	653,088
Loans and Receivables to Other Customers	-	-	109,139,936	-	-	109,139,936
Financial Investments	-	6,158	-	12,287,192	-	12,293,350
Total Financial Assets	4,549,189	6,158	118,579,451	12,287,192	16,091	135,438,081
Financial Liabilities						
Due to Banks	-	-	2,497,901	-	-	2,497,901
Derivative Financial Instruments	-	-	-	-	7,367	7,367
Due to Other Customers	-	-	107,193,030	-	-	107,193,030
Other Borrowings	-	-	8,465,787	-	-	8,465,787
Debentures	-	-	7,147,052	-	-	7,147,052
Total Financial Liabilities	-	-	125,303,770	-	7,367	125,311,137

Notes to the Financial Statements

Loans and Advances		In Rupee Thousands
		As at 31/12/2018
Gross Loans and Advances		113,494,424
Less: Individual Impairment		(2,366,201)
Collective Impairment		(2,959,362)
Net Loans and Advances including those designated at fair value through profit or loss		108,168,861
Less: Loans and Advances designated at fair value through profit or loss		-
Net Loans and Advances		108,168,861

Loans and Advances - By Product		In Rupee Thousands
		As at 31/12/2018
By Product-Domestic Currency		
Term Loans		63,797,517
Overdraft		16,217,001
Trade Finance		2,681,440
Lease Rentals Receivable		9,804,133
Others		10,845,602
Sub Total		103,345,693
By Product-Foreign Currency		
Overdrafts		1,719,817
Term Loans		7,073,071
Trade Finance		1,355,536
Lease Rentals Receivable		-
Others		307
Sub Total		10,148,731
Total		113,494,424

Stage Wise Impairment on Loans and Advances		In Rupee Thousands		
	As at 31/12/2018			
	Individual	Collective	Total	
Gross Loans and Advances	3,447,617	110,046,807	113,494,424	
Less: Accumulated Impairment under Stage 1	-	(1,184,379)	(1,184,379)	
Accumulated Impairment under Stage 2	-	(599,125)	(599,125)	
Accumulated Impairment under Stage 3	(2,366,201)	(1,175,858)	(3,542,059)	
Net Loans and Advances	1,081,416	107,087,445	108,168,861	

Movement of Impairment during the Year - Loans and Advances		In Rupee Thousands		
	As at 31/12/2018			
	Individual	Collective	Total	
Under Stage 1				
Opening balance as at 01/01/2018	721	926,795	927,516	
Charge/ (Write back) to income statement	(721)	257,584	256,863	
Write - off during the year	-	-	-	
Closing balance as at 31/12/2018	-	1,184,379	1,184,379	
Under Stage 2				
Opening balance as at 01/01/2018	-	563,972	563,972	
Charge/ (Write back) to income statement	-	35,153	35,153	
Write - off during the year	-	-	-	
Closing balance as at 31/12/2018	-	599,125	599,125	
Under Stage 3				
Opening balance as at 01/01/2018	1,068,180	942,990	2,011,170	
Charge/ (Write back) to income statement	1,298,021	409,075	1,707,096	
Write - off during the year	-	(176,207)	(176,207)	
Closing balance as at 31/12/2018	2,366,201	1,175,858	3,542,059	
Total impairment as at 31/12/2018	2,366,201	2,959,362	5,325,563	

Movement of Impairment during the Year - Other Financial Instruments		In Rupee Thousands				
	Cash & Cash Equivalents	Placements with Banks	Debt & Other Instrument	Documentary Credit	Financial Guarantees	As at 31/12/2018
						Total
Under Stage 1						
Opening balance as at 01/01/2018	953	645	50,068	8,250	14,642	74,558
Charge/ (Write back) to income statement	(591)	(645)	33,764	(6,359)	(8,134)	18,035
Write - off during the year	-	-	-	-	-	-
Closing balance as at 31/12/2018	362	-	83,832	1,891	6,508	92,593

Notes to the Financial Statements

Loans and Receivables to Other Customers		In Rupee Thousands
		As at 31/12/2017
Gross Loans and Receivables		111,351,500
Less: Individual Impairment		(1,068,901)
Collective Impairment		(1,142,663)
Net Loans and Receivables including those designated at fair value through profit or loss		109,139,936
Less: Loans and Receivables designated at fair value through profit or loss		-
Net Loans and Receivables		109,139,936

Loans and Receivables to Other Customers - By Product		In Rupee Thousands
		As at 31/12/2017
By Product-Domestic Currency		
Overdrafts		16,809,676
Term Loans		54,387,083
Lease Rentals Receivable		9,449,637
Pawning & Ran Loans		2,437,588
Staff Loans		821,813
Trade Finance		2,473,112
Margin Trading		1,467,071
Securities Purchased under Resale Agreements		186,290
Debentures - Quoted		1,592,696
Others		5,391,219
Sub Total		95,016,185
By Product-Foreign Currency		
Overdrafts		893,769
Term Loans		4,500,785
Trade Finance		2,073,416
Sri Lanka Development Bonds		8,865,418
Others		1,927
Sub Total		16,335,315
Total		111,351,500

Movements in Individual and Collective Impairment during the Period for Loans and Receivables to Other Customers

	In Rupee Thousands
	As at 31/12/2017
Individual Impairment	
Opening Balance	1,693,536
Charge to Profit or Loss	337,265
(Write off)/Recoveries during the Period	(786,966)
Interest Accrued on Impaired Loans and Receivables	(174,934)
Other Movements	-
Closing Balance	1,068,901
Collective Impairment	
Opening Balance	982,491
Charge / (Reversal) to Profit or Loss	160,172
(Write off) /Recoveries during the Period	-
Closing Balance	1,142,663
Total Impairment	2,211,564

Due to Other Customers - By Product		In Rupee Thousands
	As at 31/12/2018	As at 31/12/2017
By Product-Domestic Currency		
Demand Deposits	3,764,903	3,788,872
Savings Deposits	12,737,487	12,656,260
Fixed Deposits	85,717,385	77,112,381
Certificates of Deposits	4,359,723	4,603,819
Margin Deposits	510,959	413,627
Sub Total	107,090,457	98,574,959
By Product- Foreign Currency		
Demand Deposits	1,106,572	1,026,613
Savings Deposits	1,667,228	1,503,356
Fixed Deposits	8,757,664	6,088,102
Margin Deposits	5,428	-
Sub Total	11,536,892	8,618,071
Total	118,627,349	107,193,030

Selected Performance Indicators		
	Bank	
	Current Period As at 31/12/2018	Previous Period As at 31/12/2017
Regulatory Capital (LKR '000)		
Common Equity Tier I (CET I) Capital before Adjustments	11,341,900	10,039,254
Common Equity Tier I (CET I) Capital after Adjustments	11,036,817	9,754,864
Total Tier 1 Capital	11,036,817	9,754,864
Total Capital	12,767,157	11,588,904
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (Minimum Requirement -6.375%)	11.51%	11.38%
Tier 1 Capital Ratio (Minimum Requirement -7.875%)	11.51%	11.38%
Total Capital Ratio (Minimum Requirement -11.875%)	13.32%	13.53%
Assets Quality (Quality of Loan Portfolio)		
Gross Non - Performing Advances Ratio, % (Net of Interest in Suspense)	5.44%	4.36%
Net Non - Performing Advances Ratio, % (Net of Interest in Suspense and Provision)	3.08%	3.05%
Profitability		
Interest Margin, %	4.37%	3.61%
Return on Assets (After Tax). %	1.03%	1.07%
Return on Equity, %	13.73%	14.86%
Regulatory Liquidity		
Statutory Liquid Assets,-DBU (LKR'000)	41,565,575	27,347,197
Statutory Liquid Assets,-Off Shore Banking Unit (USD'000)	14,393	7,907
Statutory Liquid Assets Ratio,% (Minimum Requirement, 20%)		
Domestic Banking Unit (%)	29.17%	23.25%
Off-Shore Banking Unit (%)	20.09%	27.04%
Liquidity Coverage Ratio (%) - (Minimum Requirement -90%)		
Rupee (%)	166.08%	208.84%
All Currency (%)	136.52%	195.36%

CERTIFICATION:

I certify that the above Financial Statements comply with the requirements of the Companies Act No. 7 of 2007.

(Sgd)

Suranga Fernando

Chief Manager Finance and Planning

We, the undersigned, being the Chairman and Director / Chief Executive Officer of Pan Asia Banking Corporation PLC certify jointly that:-

- (a) the above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka ;
- (b) the information contained in these statements are true and correct to the best of our knowledge and belief.

(Sgd)

Dimuth Prasanna

Chairman

21st February 2019

(Sgd)

Nimal Tillekeratne

Director / Chief Executive Officer

EXPLANATORY NOTES

1. These interim Financial Statements are presented in accordance with Sri Lanka Accounting Standard - LKAS 34 (Interim Financial Reporting) and provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange.
2. There are no material changes in the composition of assets, liabilities, contingent liabilities and use of funds raised through issue of debentures and shares during the Year.
3. All known expenses have been provided for in these Financial Statements.
4. There are no changes to the accounting policies and methods of computation since the publication of the annual accounts for the year 2017 other than the item disclosed in Notes (a) & (b) below

(a) Sri Lanka Accounting Standard - SLFRS 15 (Revenue from Contracts With Customers)

Sri Lanka Accounting Standard - SLFRS 15 (Revenue from Contracts With Customers) became effective for the financial periods beginning on or after 1st January 2018. The bank did not recognise any material impact on its fee & commission income with the adoption of SLFRS 15 at the transition date, 1st January 2018.

(b) Sri Lanka Accounting Standard - SLFRS 9 (Financial Instruments)

The Sri Lanka Accounting Standard - SLFRS 9 (Financial Instruments) is effective for annual periods beginning on or after 01st January 2018. However, as permitted by the Statement of Alternative Treatment (SoAT) of CA Sri Lanka, the Bank has continued to prepare the interim financial statements for the first three quarters of the year 2018 with the application of LKAS 39 (Financial Instruments: Recognition and Measurement), along with relevant disclosures on the impact to the Statement of Comprehensive Income for the period, if SLFRS 9 has been applied.

The Bank has adopted the 'Modified Retrospective Method' to prepare Annual Financial Statements for the year ended 31st December 2018 and has not re-stated comparative information for 2017 within the scope of SLFRS 9. The comparative information for 2017 is reported under LKAS 39 and is not comparable to the information presented for 2018. The total additional impairment provision arising from SLFRS 9 for the year 2018 has been recognised in its entirety in the 4th quarter of 2018.

The following notes set out the impact of adopting SLFRS 9 at transition date, 1st January 2018 on the Statement of Financial Position, and retained earnings including the effect of replacing incurred credit loss calculations under LKAS 39 with expected credit loss (ECL) calculations under SLFRS 9.

4.1 Transition Disclosures

Below set out the impact of adopting SLFRS 9 on the Statement of Financial Position, and retained earnings including the effect of replacing LKAS 39's incurred credit loss calculations with SLFRS 9's ECLs.

	Ref.	LKAS 39		Re-classification	Re-measurement		SLFRS 9	
		Category	Amount (Rs.)		ECL (Rs.)	Other (Rs.)	Amount (Rs.)	Category
Financial Assets								
Cash and Cash Equivalents		L & R	1,665,040,665	-	(952,587)	-	1,664,088,078	AC
Balances with Central Bank of Sri Lanka		L & R	6,884,017,912	-	-	-	6,884,017,912	AC
Placements with Banks		L & R	237,368,087	-	(645,483)	-	236,722,604	AC
Derivative Financial Instruments		HFT	16,091,393	-	-	-	16,091,393	FVPL
Financial Assets at Fair Value through Profit or Loss		HFT	4,549,189,029	-	-	-	4,549,189,029	FVPL
Loans and Advances - at Amortised Cost	(a)	AC	-	98,743,815,679	(1,291,093,731)	-	97,452,721,948	AC
From : Loans and Receivables to Banks				248,283,332	-	-	-	
From : Loans and Receivables to Other Customers			-	98,495,532,347	-	-	-	
Debt and Other Instruments - at Amortised Cost	(b)	AC	-	23,336,400,641	(50,067,635)	-	23,286,333,006	AC
From : Financial Instruments - Held to Maturity			-	12,287,192,426	-	-	-	
From : Loans and Receivables to Banks			-	404,804,512	-	-	-	
From : Loans and Receivables to Other Customers			-	10,644,403,703	-	-	-	
Loans and Receivables to Banks		L & R	653,087,844	(653,087,844)	-	-	-	N/A
To : Loans and Advances	(a)		-	248,283,332	-	-	-	
To : Debt & Other Instruments - at Amortised Cost	(b)		-	404,804,512	-	-	-	
Loans and Receivables to Other Customers		L & R	109,139,936,050	(109,139,936,050)	-	-	-	N/A
To : Loans and Advances	(a)		-	98,495,532,347	-	-	-	
To : Debt & Other Instruments - at Amortised Cost	(b)		-	10,644,403,703	-	-	-	
Equity Instruments at FVOCI	(c.)	N/A	-	6,157,847	-	-	6,157,847	FVOCI
From: Financial Investments - Available for Sale			-	(6,157,847)	-	-	-	
Financial Investments - Available for Sale	(c.)	AFS	6,157,847	(6,157,847)	-	-	-	N/A
To: Financial Instruments at FVOCI			-	6,157,847	-	-	-	
Financial Investments - Held to Maturity	(b)	HTM	12,287,192,426	(12,287,192,426)	-	-	-	N/A
To : Debt and Other Instruments at Amortised Cost			-	12,287,192,426	-	-	-	
Non Financial Assets								
Property, Plant and Equipment		N/A	1,989,970,519	-	-	-	1,989,970,519	N/A
Intangible Assets		N/A	284,390,317	-	-	-	284,390,317	N/A
Other Assets		N/A	789,242,975	-	-	-	789,242,975	N/A
Total Assets		N/A	138,501,685,064	-	(1,342,759,436)	-	137,158,925,628	
Financial Liabilities								
Due to Banks	(d)	AC	2,497,901,244	(515,919,839)	-	-	1,981,981,405	AC
To : Due to Depositors			-	515,919,839	-	-	-	
Derivative Financial Instruments		HFT	7,366,561	-	-	-	7,366,561	FVPL
Due to Depositors	(e)	N/A	-	107,708,949,479	-	-	107,708,949,479	AC
From : Due to Banks	(d)		-	515,919,839	-	-	-	
From : Due to Other Customers			-	107,193,029,640	-	-	-	
Due to Other Customers	(e)	AC	107,193,029,640	(107,193,029,640)	-	-	-	N/A
To: Due to Depositors			-	107,193,029,640	-	-	-	
Due to Debt Securities Holders		AC	8,465,786,791	-	-	-	8,465,786,791	AC
Debentures Issued		AC	7,147,051,848	-	-	-	7,147,051,848	AC
Non Financial Liabilities								
Current Tax Liabilities		N/A	550,341,567	-	-	-	550,341,567	N/A
Deferred Tax Liabilities	(f)	N/A	630,734,284	-	-	(382,382,589)	248,351,695	N/A
Other Provisions and Accruals		N/A	229,535,579	-	-	-	229,535,579	N/A
Other Liabilities	(g)	N/A	1,110,050,321	-	22,892,669	-	1,132,942,990	N/A
Total Liabilities			127,831,797,835	-	22,892,669	(382,382,589)	127,472,307,915	
Equity								
Stated Capital		N/A	3,614,253,304	-	-	-	3,614,253,304	N/A
Retained Earnings		N/A	6,050,894,180	-	-	(983,269,516)	5,067,624,664	N/A
Revaluation Reserve		N/A	630,633,294	-	-	-	630,633,294	N/A
Statutory Reserve Fund		N/A	374,106,451	-	-	-	374,106,451	N/A
Total Equity			10,669,887,229	-	-	(983,269,516)	9,686,617,713	
Total Equity and Liabilities			138,501,685,064	-	22,892,669	(1,365,652,105)	137,158,925,628	

AC: Amortised Cost
AFS : Available for Sale
N/A : Not Available

FVOCI : Fair Value through Other Comprehensive Income
FVPL: Fair Value through Profit or Loss

HTM : Held to Maturity
L & R: Loans and Receivables

- (a) As at 1st January 2018, Loans and Advances previously classified as 'Loans and Receivables to Banks' and 'Loans and Receivables to Other Customers' have been re-classified as 'Loans and Advances at Amortised Cost'. These instruments met the criterion of 'Solely for Payment of Principal and Interest (SPPI)'. These were not actively traded and were held with the intention of collecting cash flows without any intention to sell.
- (b) As of 1st January 2018, certain financial investments previously classified as 'Loans and Receivables to Banks', 'Loans and Receivables to Other Customers' and 'Financial Investments - Held to Maturity' have been re-classified as 'Debt and Other Instruments at Amortised Cost'. These instruments met the criterion of 'Solely for Payment of Principal and Interest (SPPI)'. These were not actively traded and were held with the intention of collecting cash flows without any intention to sell.
- (c) As at 1st January 2018, Financial assets previously classified as 'Available for Sale (AFS)' category have been re-classified as 'Financial Instruments at Fair Value through Other Comprehensive Income (FVOCI)' as per SLFRS 9.
- (d) As at 1st January 2018, deposits made by other banks previously classified as 'Due to Banks' have been re-classified as 'Due to Depositors'.
- (e) As at 1st January 2018, deposits made by non bank customers previously classified as 'Due to Other Customers' have been re-classified as 'Due to Depositors'.
- (f) The impact of adopting SLFRS 9 on deferred tax is set out on the next page and in Note (h)
- (g) The ECL adjustment on Financial Guarantees, Documentary Credit and Acceptances are shown under 'Other Liabilities'
- (h) The impact on retained earnings by transition to SLFRS 9 is as follows,

	Retained Earnings
	Rs.
Closing balance under LKAS 39 (31 December 2017)	6,050,894,180
Re-stated adjustments in relation to Adoption of SLFRS 9	(1,365,652,105)
Deferred tax in relation to the above	382,382,589
Opening balance under SLFRS 9 (1st January 2018)	5,067,624,664
Total Change in Equity due to Adoption of SLFRS 9	(983,269,516)

The following table reconciles the aggregate opening loan loss provision allowances under LKAS 39 and provisions for loan commitments and financial guarantee contracts in accordance with LKAS 37 Provisions Contingent Liabilities and Contingent Assets to the ECL allowances under SLFRS 9.

Impairment Allowance for:	Loan Loss Provision under LKAS 39 as at 31 December 2017	Re-measurement	ECLs under SLFRS 9 as at 1st January 2018
	Rs.	Rs.	Rs.
Loans and receivables as per LKAS 39/Financial Assets at amortised cost under SLFRS 9	2,211,563,997	1,342,759,436	3,554,323,433
	2,211,563,997	1,342,759,436	3,554,323,433
Financial Guarantees	-	14,642,330	14,642,330
Documentary Credit	-	8,250,339	8,250,339
	-	22,892,669	22,892,669
	2,211,563,997	1,365,652,105	3,577,216,102

5. Events after the Reporting Period

There are no material events that took place after the Statement of Financial Position date which require adjustment to or disclosures in the Financial Statements.

5 Listed Debenture Information

i) Interest Rates and Market Prices

	Interest Rate (%)	Interest Rate of Comparable Govt.Security (%)	Last Traded Price (Rs.)	Yield as at Last Traded (%)	Yield To Maturity as at Last Traded (%)
Unsecured Subordinated Redeemable Debentures					
2014/2019					
Fixed Rate - Interest Semi Annually - 2014/2019	9.5233	11.54	Not Traded	Not Traded	Not Traded
Fixed Rate - Interest Annually - 2014/2019	9.75	11.54	Not Traded	Not Traded	Not Traded
2015/2019					
Fixed Rate - Interest Semi Annually - 2015/2019	10.00	11.25	Not Traded	Not Traded	Not Traded
Floating Rate - Interest Semi Annually - 2015/2019 (3.0% Above the average of 06 month Net Treasury Bill Rate)	11.665	10.77	Not Traded	Not Traded	Not Traded

ii) Ratios

Debt to Equity (Times)	1.42
Interest Cover (Times)	2.36

6. Market Price of Ordinary Shares

Market Price Per Share	31/12/2018 (Rs.)		31/12/2017 (Rs.)	
	Voting	Non Voting	Voting	Non Voting
Last Traded Price	14.80	--	15.70	--
Highest Price for the Quarter	16.40	--	20.30	--
Lowest Price for the Quarter	13.00	--	14.80	--

Shareholders' Information

Major Shareholders as at 31st December 2018

No	Name	No. of Shares	%
1	K. D. D. Perera	132,724,230	29.99
2	Bansei Securities Co., Ltd.	66,384,246	15.00
3	Seylan Bank PLC/Ambeon Holdings PLC(Collateral)	43,930,641	9.93
4	W.K. H. Wegapitiya	27,303,169	6.17
5	D. C. C. Joseph	25,199,658	5.69
6	K. D. H. Perera	23,305,998	5.27
7	P. J. Tay	21,917,994	4.95
8	K. D. A. Perera	19,200,000	4.34
9	Sri Lanka Samurdhi Authority	11,114,376	2.51
10	Sri Lanka Savings Bank Limited	10,298,499	2.33
11	R. E. U. De Silva	6,799,582	1.54
12	A. R. Molligoda	3,737,319	0.84
13	Bank of Ceylon A/c Ceybank Unit Trust	2,748,651	0.62
14	Capital Development & Investment Company PLC A/c No.2	2,123,343	0.48
15	H. Beruwalage	2,046,648	0.46
16	Favourite Garments (Pvt) Ltd	1,850,000	0.42
17	M. F. Hashim	1,826,402	0.41
18	D T Beruwalage	1,161,448	0.26
19	R A De Silva	1,139,670	0.26
20	S N P Palihena	1,000,000	0.23
		405,811,874	91.70
	Others	36,749,755	8.30
	Total	442,561,629	100.00

Public holding as at 31st December 2018 was 54.92% in the hands of 4,211 public shareholders.

Directors' and Chief Executive Officer's Holding in Shares as at 31st December 2018

No	Name of Director	No. of Shares
1	G.A.R.D. Prasanna	34,801
2	M. A. Abeynaïke	-
3	T. Igarashi	-
4	T. Murakami	-
5	S. B. Rangamuwa	-
6	H. N. J. Chandrasekera	100
7	J. D. N. Kekulawala	-
8	M. Y. A. Perera	-
9	N. R. Tillekeratne	-