



**Sampath Bank**

WE PRESENT YOUR FUTURE

# **SAMPATH BANK PLC**

**Interim Financial Statements  
for the period ended 31st March 2019  
(In terms of rule 7.4 of the Colombo Stock Exchange)**

# **Sampath Bank's Net Interest Income up by 23% in Q 1 2019 Despite Challenging Economic Conditions**

The Bank has reported a net interest income of Rs 10.2 Bn for Q1 2019 reflecting noteworthy growth of 23.2% over the figure reported in Q1 2018, a significant achievement especially given the challenging economic conditions that prevailed throughout the period.

The Bank recorded Profit after tax of Rs 2.2 Bn, a negative growth over the corresponding period in 2018, due to several factors including higher impairment provisions, volatile interest rates, currency uncertainty and higher taxes including Debt Repayment Levy all of which worked against growth in Q1 2019. Over and above this, the economic slowdown also had a domino effect causing a negative impact on the Bank's business expansion strategies.

Meanwhile the Sampath Bank Group reported Group PAT of Rs 2.1 Bn.

## **The comparative figure for Q1 2018**

In order to improve the comparability and the consistency of the Group's Financial Statements, the Bank adjusted comparative figures disclosed in Q1 2018 related to collective impairment provision based on Sri Lanka Accounting Standard – SLFRS 9 (Financial Instruments).

## **Fund based income (FBI)**

Net Interest Income (NII), which is the main source of income representing more than 79% of the Bank's total operating income, recorded a significant increase of Rs 1.9 Bn (23.2%) in Q1 2019 in comparison to Q1 2018. Accordingly, the Bank recorded NII of Rs 10.2 Bn in Q1 2019, as against Rs 8.3 Bn recorded for Q1 2018.

The above achievement was made possible due to timely re-pricing of asset and liability products and other fund management strategies adopted by the Bank. The decision by the regulator to reduce the SRR from 7.5% to 6.0% with effect from 16<sup>th</sup> November 2018 followed by a further reduction to 5% with effect from 1<sup>st</sup> March 2019 also had a positive impact on NII. The Bank managed to improve its NIM from 4.41% as at 31<sup>st</sup> December 2018 to 4.54% in Q1 2019.

## **Non fund based income (NFBI)**

Net fee and commission income, which largely comprises of credit, trade, card and electronic channel related fees recorded Rs 2.3 Bn in the quarter under review, a marginal decline over the figure reported in Q1 2018. The decline was kept to a minimum due to the strong market uptake for innovative value additions offered through electronic channels as well as appropriate action to expand the credit card operations.

The Net gain from financial investments recorded a marginal growth of 1.4%, due to increase in dividend income earned from financial assets. The Sri Lankan rupee, which depreciated against US dollars during Q1 2018 by Rs 2.00 showed an appreciation of Rs. 7.00 in Q1 2019, had a significant impact on the Bank's total exchange income for Q1 2019, which declined by Rs 858 Mn for the quarter.

Net trading income recorded a strong growth and stood at Rs 1.5 Bn for the quarter under review, bolstered by significant revaluation gains on forward contracts. This was the result of tactical strategies to maximize forward contract margins in a highly volatile exchange rate environment.

Other operating income decreased by 191% owing to the exchange loss recorded in Q1 2019 due to the sharp appreciation of the Sri Lankan Rupee against the US Dollar. Consequently, the Bank recorded a loss of Rs. 1.2 Bn for Q1 2019 under the other operating income category.

### **Operating expenses**

The Bank's operating expenses, which amounted to Rs 4.7 Bn in 1Q 2018, increased to Rs 5.1 Bn during the period under review, reflecting a YoY increase of 9.9%. Higher personnel expenses triggered by salary increments and an increase in other operating expenses driven by business expansion together with inflation-led general price hikes were the main reasons for the aforesaid cost escalation. Consequently the cost-to-income ratio excluding DRL, VAT & NBT on financial services show a marginal increase of 0.1% from 39.5% in 1Q 2018 to 39.6% in 1Q 2019.

### **Impairment charge on loans and receivables**

Highly volatile economic and political conditions prevailing in the country affected many key economic sectors since 2018. This trend continued in 2019 as well, undermining the financial performance of many businesses. Consequently, non-performing advances of all banks including Sampath Bank which was on the rise throughout 2018 continued to further increase in Q1 2019 as well. As a result, Sampath Bank's NPA increased to 4.87% in Q1 2019 from 3.69% reported as at 31<sup>st</sup> December 2018. Despite the challenging conditions however, the Bank was able to control the growth of non-performing advances by taking proactive measures throughout the period.

As a result of increase in non-performing advances, impairment charge of individually significant customers increased from Rs 0.5 Bn in Q1 2018 to Rs 1.5 Bn in Q1 2019. The collective impairment charge also increased to Rs 1.8 Bn in Q1 2019 compared to Rs 1.4 Bn recorded in Q1 2018, this is mainly due to aforementioned portfolio deterioration.

### **Tax expenses**

The Bank recorded a total tax charge of Rs 2.2 Bn for the Q1 2019 which is 50% of the operating profit before taxes on Financial Services (including Debt Repayment Levy of Rs 485 Mn). The Government has removed most of the tax concessions previously enjoyed by the banking industry via the new Inland Revenue Act that came into effect on 1<sup>st</sup> April 2018 and even thereafter continued to introduce new taxes such as Debt Repayment Levy in October 2018. As a result, the Bank was liable to pay substantially higher amount of taxes in Q1 2019 compared with previous quarters despite the tax reversal on account of new exemption granted on SLDB interest income with retrospective effect.

### **Business growth**

Sampath Bank's total asset base stood at Rs 911 Bn as at 31<sup>st</sup> March 2019 (Rs 914 Bn as at 31<sup>st</sup> December 2018). Gross loans & receivables from other customers recorded a marginal growth of 0.9% (annualized 3.6%) during the period by moving up to Rs 674 Bn as at 31<sup>st</sup> March 2019 (up by Rs 6 Bn from the position reported as at 31<sup>st</sup> December 2018). Deposit from other customers too increased by Rs 5.2 Bn, recording a marginal growth of 0.8% (annualized 3.2%) during this period to touch Rs 696

Bn as at the reporting date. The CASA ratio as at 31<sup>st</sup> March 2019 stood at 33.5%, recording a slight improvement compared to the position as at 31<sup>st</sup> December 2018 (33.4%).

### **Performance ratios**

Return on Assets (ROA) before income tax for Q1 2019 declined to 1.27% compared to 2.13% reported in 2018 and Return on Equity (ROE) after income tax also declined, from 16.02% as at 31<sup>st</sup> December 2018 to 10.38% in Q1 2019. The reduction in these ratios is the result of lower profitability coupled with a 31% increase in the average equity base as a result of rights issue in April 2018. The Statutory Liquid Asset Ratio (SLAR) for the Domestic Banking Unit and the Off-Shore Banking Unit were both maintained well above the mandatory requirement of 20% throughout Q1 2019, and ended up at 22.82% and 28.36% respectively as at 31<sup>st</sup> March 2019.

### **Capital adequacy**

The Bank's Common Equity Tier I Capital, Tier I Capital and Total Capital Adequacy ratios as at 31<sup>st</sup> March 2019 was at 11.72%, 11.72% and 16.19% levels respectively, all well above the minimum regulatory requirement of 8.5%, 10.0% and 14.0% respectively, applicable as at the reporting date.

**STATEMENT OF PROFIT OR LOSS**

For the three months ended 31st March	Bank			Group		
	2019	2018	Change	2019	2018	Change
	Rs 000	Restated* Rs 000	%	Rs 000	Restated* Rs 000	%
<b>Gross income</b>	<b>28,865,305</b>	<b>26,416,260</b>	<b>9.3</b>	<b>30,518,637</b>	<b>27,848,022</b>	<b>9.6</b>
Interest income	25,625,441	22,480,991	14.0	27,140,162	23,833,251	13.9
Less : Interest expense	15,400,911	14,182,107	8.6	16,245,313	14,884,857	9.1
<b>Net interest income</b>	<b>10,224,530</b>	<b>8,298,884</b>	<b>23.2</b>	<b>10,894,849</b>	<b>8,948,394</b>	<b>21.8</b>
Fee & commission income	2,768,113	2,707,013	2.3	2,846,832	2,786,570	2.2
Less : Fee & commission expense	491,982	405,273	21.4	492,477	406,765	21.1
<b>Net fee &amp; commission income</b>	<b>2,276,131</b>	<b>2,301,740</b>	<b>(1.1)</b>	<b>2,354,355</b>	<b>2,379,805</b>	<b>(1.1)</b>
Net trading gain/(loss)	1,505,551	(169,405)	988.7	1,505,551	(169,405)	988.7
Net gain on financial investments	124,912	123,208	1.4	124,912	123,208	1.4
Other operating income	(1,158,712)	1,274,453	(190.9)	(1,098,820)	1,274,398	(186.2)
<b>Total operating income</b>	<b>12,972,412</b>	<b>11,828,880</b>	<b>9.7</b>	<b>13,780,847</b>	<b>12,556,400</b>	<b>9.8</b>
Less : Impairment charge / (reversal)						
Loans to & receivables from other customers	3,330,406	1,982,056	68.0	3,660,359	2,135,403	71.4
Other financial assets	137,246	84,129	63.1	137,246	84,129	63.1
Non-financial assets	7,215	(4,979)	244.9	7,089	(846)	937.9
<b>Net operating income</b>	<b>9,497,545</b>	<b>9,767,674</b>	<b>(2.8)</b>	<b>9,976,153</b>	<b>10,337,714</b>	<b>(3.5)</b>
<b>Less: Operating expenses</b>						
Personnel expenses	2,604,911	2,233,838	16.6	2,822,349	2,454,068	15.0
Premises, equipment & establishment expenses	1,141,545	1,105,110	3.3	1,160,611	1,113,200	4.3
Depreciation of property, plant & equipment	227,475	183,488	24.0	304,874	265,396	14.9
Amortisation of intangible assets	94,531	69,744	35.5	100,650	70,944	41.9
Other operating expenses	1,068,979	1,080,536	(1.1)	1,167,928	1,145,164	2.0
<b>Total operating expenses</b>	<b>5,137,441</b>	<b>4,672,716</b>	<b>9.9</b>	<b>5,556,412</b>	<b>5,048,772</b>	<b>10.1</b>
<b>Operating profit before taxes on financial services</b>	<b>4,360,104</b>	<b>5,094,958</b>	<b>(14.4)</b>	<b>4,419,741</b>	<b>5,288,942</b>	<b>(16.4)</b>
Less: Taxes on financial services						
Value added tax	888,842	923,370	(3.7)	935,186	984,299	(5.0)
Nation building tax	118,512	123,116	(3.7)	125,325	131,852	(5.0)
Debt repayment levy	485,307	-	100.0	512,373	-	100.0
<b>Profit before income tax</b>	<b>2,867,443</b>	<b>4,048,472</b>	<b>(29.2)</b>	<b>2,846,857</b>	<b>4,172,791</b>	<b>(31.8)</b>
Less : Income tax expense	704,806	1,294,216	(45.5)	735,763	1,373,275	(46.4)
<b>Profit for the period</b>	<b>2,162,637</b>	<b>2,754,256</b>	<b>(21.5)</b>	<b>2,111,094</b>	<b>2,799,516</b>	<b>(24.6)</b>
<b>Attributable to:</b>						
Equity holders of the Bank	2,162,637	2,754,256	(21.5)	2,111,094	2,799,516	(24.6)
Non controlling interest	-	-	-	-	-	-
	<b>2,162,637</b>	<b>2,754,256</b>	<b>(21.5)</b>	<b>2,111,094</b>	<b>2,799,516</b>	<b>(24.6)</b>
<b>Earnings per share - Basic / Diluted (Rs)</b>	<b>7.39</b>	<b>11.05</b>	<b>(33.1)</b>	<b>7.22</b>	<b>11.23</b>	<b>(35.7)</b>

\*As permitted by the SOAT (the statement of alternative treatment) issued by the CA Sri Lanka, the Bank presented the interim Financial Statements for the period ended 31st March 2018 based on LKAS 39. However in order to provide comparable figures, the Bank restated the comparative information for 2018 based on SLFRS 09 in its 2019 interim Financial Statements.

**STATEMENT OF COMPREHENSIVE INCOME**

For the three months ended 31st March	Bank			Group		
	2019	2018	Change	2019	2018	Change
	Rs 000	Restated* Rs 000	%	Rs 000	Restated* Rs 000	%
<b>Profit for the period</b>	<b>2,162,637</b>	<b>2,754,256</b>	<b>(21.5)</b>	<b>2,111,094</b>	<b>2,799,516</b>	<b>(24.6)</b>
<b>Other comprehensive income</b>						
Items that will be reclassified to profit or loss:						
Debt instruments at fair value through other comprehensive income:						
Gain/(loss) arising on re-measurement	39,971	(55,278)	172.3	39,971	(55,278)	172.3
Deferred tax effect to the above	(11,192)	(5,813)	(92.5)	(11,192)	(5,813)	(92.5)
	28,779	(61,091)	147.1	28,779	(61,091)	147.1
<b>Net other comprehensive income that will be reclassified to profit or loss</b>	<b>28,779</b>	<b>(61,091)</b>	<b>147.1</b>	<b>28,779</b>	<b>(61,091)</b>	<b>147.1</b>
Items that will not to be reclassified to profit or loss:						
Equity instruments at fair value through other comprehensive income:						
Loss arising on re-measurement	(119,987)	(360,799)	66.7	(119,987)	(360,799)	66.7
Exchange difference in translation	(41,743)	10,252	(507.2)	(41,743)	10,252	(507.2)
Deferred tax effect to the above	45,284	(524,478)	108.6	45,284	(524,478)	108.6
	(116,446)	(875,025)	86.7	(116,446)	(875,025)	86.7
<b>Net other comprehensive income that will not to be reclassified to profit or loss</b>	<b>(116,446)</b>	<b>(875,025)</b>	<b>86.7</b>	<b>(116,446)</b>	<b>(875,025)</b>	<b>86.7</b>
<b>Other comprehensive income net of tax</b>	<b>(87,667)</b>	<b>(936,116)</b>	<b>90.6</b>	<b>(87,667)</b>	<b>(936,116)</b>	<b>90.6</b>
<b>Total comprehensive income for the period net of tax</b>	<b>2,074,970</b>	<b>1,818,140</b>	<b>14.1</b>	<b>2,023,427</b>	<b>1,863,400</b>	<b>8.6</b>
<b>Attributable to:</b>						
Equity holders of the Bank	2,074,970	1,818,140	14.1	2,023,427	1,863,400	8.6
Non controlling interest	-	-	-	-	-	-
	<b>2,074,970</b>	<b>1,818,140</b>	<b>14.1</b>	<b>2,023,427</b>	<b>1,863,400</b>	<b>8.6</b>

\*As permitted by the SOAT (the statement of alternative treatment) issued by the CA Sri Lanka, the Bank presented the interim Financial Statements for the period ended 31st March 2018 based on LKAS 39. However in order to provide comparable figures, the Bank restated the comparative information for 2018 based on SLFRS 09 in its 2019 interim Financial Statements.

**STATEMENT OF FINANCIAL POSITION**

As at	Bank			Group		
	31st March 2019	31st December 2018	Change	31st March 2019	31st December 2018	Change
	Rs 000	(Audited) Rs 000	%	Rs 000	(Audited) Rs 000	%
<b>ASSETS</b>						
Cash & cash equivalents	22,959,036	19,051,955	20.5	23,224,124	19,218,254	20.8
Balances with Central Bank of Sri Lanka	31,646,236	36,557,776	(13.4)	31,646,236	36,557,776	(13.4)
Placements with banks	16,320,475	8,746,926	86.6	16,320,475	8,746,926	86.6
Reverse repurchase agreements	3,752,671	500,124	650.3	6,056,353	2,258,852	168.1
Derivative financial instruments	846,802	1,171,037	(27.7)	846,802	1,171,037	(27.7)
Financial assets recognised through profit or loss - measured at fair value	21,512,704	27,720,246	(22.4)	21,512,704	27,720,246	(22.4)
Financial assets at amortised cost						
Loans to & receivables from banks	1,258,271	1,644,405	(23.5)	1,258,271	1,644,405	(23.5)
Loans to & receivables from other customers	651,032,716	648,369,233	0.4	680,315,306	675,894,019	0.7
Debt and other instruments	119,233,277	121,105,392	(1.5)	119,237,697	121,109,711	(1.5)
Financial assets - fair value through other comprehensive income	16,733,429	27,517,305	(39.2)	16,733,485	27,517,361	(39.2)
Investment in subsidiaries	2,377,358	2,320,429	2.5	-	-	-
Property, plant & equipment	10,417,472	7,917,993	31.6	16,410,710	13,601,798	20.7
Intangible assets	1,088,651	1,137,422	(4.3)	1,166,564	1,225,519	(4.8)
Current tax receivables	-	-	-	28,576	23,360	22.3
Deferred tax assets	1,695,917	989,343	71.4	1,696,014	989,416	71.4
Other assets	10,218,535	9,475,345	7.8	10,943,434	10,106,537	8.3
<b>Total Assets</b>	<b>911,093,550</b>	<b>914,224,931</b>	<b>(0.3)</b>	<b>947,396,751</b>	<b>947,785,217</b>	<b>(0.0)</b>
<b>LIABILITIES</b>						
Due to banks	3,525,764	8,901,463	(60.4)	3,598,347	8,964,857	(59.9)
Derivative financial instruments	1,210,808	2,952,319	(59.0)	1,210,808	2,952,319	(59.0)
Securities sold under repurchase agreements	1,469,873	13,732,205	(89.3)	1,459,882	13,709,472	(89.4)
Due to other customers	695,560,912	690,378,552	0.8	707,396,806	699,661,040	1.1
Debt issued & other borrowed funds	95,081,559	89,948,406	5.7	110,894,795	106,373,545	4.3
Dividend payable	1,928,536	97,462	1,878.8	1,928,536	97,462	1,878.8
Current tax liabilities	10,008,003	9,540,868	4.9	10,172,960	9,682,482	5.1
Deferred tax liabilities	-	-	-	1,527,931	1,536,772	(0.6)
Other liabilities	15,988,897	12,398,522	29.0	17,214,038	12,812,534	34.4
Other provisions	1,685,332	1,885,824	(10.6)	1,748,981	1,944,080	(10.0)
<b>Total Liabilities</b>	<b>826,459,684</b>	<b>829,835,621</b>	<b>(0.4)</b>	<b>857,153,084</b>	<b>857,734,563</b>	<b>(0.1)</b>

**STATEMENT OF FINANCIAL POSITION**

As at	Bank			Group		
	31st March 2019	31st December 2018	Change	31st March 2019	31st December 2018	Change
	Rs 000	(Audited) Rs 000	%	Rs 000	(Audited) Rs 000	%
<b>EQUITY</b>						
Stated capital	32,795,952	32,795,952	-	32,795,952	32,795,952	-
Net Scrip Dividend to be capitalised	2,721,608	-	100.0	2,721,608	-	100.0
Reserves						
Statutory reserves	3,470,000	3,470,000	-	3,609,000	3,609,000	-
Other reserves	42,404,688	42,479,716	(0.2)	45,088,793	45,163,821	(0.2)
Retained earnings	3,241,618	5,643,642	(42.6)	6,028,314	8,481,881	(28.9)
Total equity attributable to equity holders of the Bank	<b>84,633,866</b>	<b>84,389,310</b>	<b>0.3</b>	<b>90,243,667</b>	<b>90,050,654</b>	<b>0.2</b>
Non controlling interest				-	-	-
<b>Total Equity</b>	<b>84,633,866</b>	<b>84,389,310</b>	<b>0.3</b>	<b>90,243,667</b>	<b>90,050,654</b>	<b>0.2</b>
<b>Total Liabilities &amp; Equity</b>	<b>911,093,550</b>	<b>914,224,931</b>	<b>(0.3)</b>	<b>947,396,751</b>	<b>947,785,217</b>	<b>(0.0)</b>
<b>Commitments &amp; contingencies</b>	<b>366,268,465</b>	<b>394,293,261</b>	<b>(7.1)</b>	<b>367,888,273</b>	<b>390,900,220</b>	<b>(5.9)</b>
<b>Net asset value per share (Rs)</b>	<b>289.40</b>	<b>300.42</b>	<b>(3.7)</b>	<b>308.58</b>	<b>320.58</b>	<b>(3.7)</b>
<b>Memorandum information</b>						
Number of employees	4,181	4,189				
Number of branches	229	229				

**CERTIFICATION:**

I certify that the above Financial Statements are in compliance with the requirements of the Companies Act No. 7 of 2007 and give a true and fair view of the state of affairs of Sampath Bank PLC and the Group as at 31st March 2019 and the profits for the period then ended.

(Sgd)

**Ajantha de Vas Gunasekara**  
Group Chief Financial Officer

We, the undersigned, being the Chairman and the Managing Director of Sampath Bank 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; and
- (b) the information contained in these statements have been extracted from the unaudited Financial Statements of the Bank and its Subsidiary companies unless indicated as audited.

(Sgd)

**Prof. Malik Ranasinghe**  
Chairman  
14th May 2019

(Sgd)

**Nanda Fernando**  
Managing Director



**STATEMENT OF CHANGES IN EQUITY**

Bank

For the three months ended 31st March 2018	Stated Capital  Rs 000	Net Scrip Dividend to be Capitalised  Rs 000	Statutory Reserve Fund  Rs 000	Other Reserves				Retained Earnings  Rs 000	Total Equity  Rs 000
				Revaluation Reserve	Available for Sale Reserve	FVOCI Reserve	General Reserve		
				Rs 000	Rs 000	Rs 000	Rs 000		
Balance as at 31st December 2017	16,307,722	-	2,860,000	2,409,050	2,299,721	n/a	33,701,025	6,072,399	63,649,917
Impact of adopting SLFRS 9	-	-	-	-	(2,299,721)	2,299,721	-	(2,126,111)	(2,126,111)
<b>Restated balance under SLFRS 9 as at 1st January 2018</b>	16,307,722	-	2,860,000	2,409,050	n/a	2,299,721	33,701,025	3,946,288	61,523,806
<b>Total comprehensive income for the period</b>									
Profit for the period	-	-	-	-	n/a	-	-	2,754,256	2,754,256
Other comprehensive income	-	-	-	-	n/a	(936,116)	-	-	(936,116)
<b>Total comprehensive income for the period</b>	-	-	-	-	n/a	(936,116)	-	2,754,256	1,818,140
<b>Transactions with equity holders, recognised directly in equity, contributions by and distributions to equity holders</b>									
Final dividend for 2017: scrip	-	3,956,178	-	-	n/a	-	-	(4,598,427)	(642,249)
Unclaimed dividend adjustments	-	-	-	-	n/a	-	(32)	-	(32)
<b>Total contributions by and distributions to equity holders</b>	-	3,956,178	-	-	n/a	-	(32)	(4,598,427)	(642,281)
<b>Balance as at 31st March 2018</b>	16,307,722	3,956,178	2,860,000	2,409,050	n/a	1,363,605	33,700,993	2,102,117	62,699,665

For the three months ended 31st March 2019	Stated Capital  Rs 000	Net Scrip Dividend to be Capitalised  Rs 000	Statutory Reserve Fund  Rs 000	Other Reserves			Retained Earnings  Rs 000	Total Equity  Rs 000
				Revaluation Reserve	FVOCI Reserve	General Reserve		
				Rs 000	Rs 000	Rs 000		
Balance as at 1st January 2019	32,795,952	-	3,470,000	2,409,050	1,160,765	38,909,901	5,643,642	84,389,310
<b>Total comprehensive income for the period</b>								
Profit for the period	-	-	-	-	-	-	2,162,637	2,162,637
Other comprehensive income	-	-	-	-	(87,667)	-	-	(87,667)
<b>Total comprehensive income for the period</b>	-	-	-	-	(87,667)	-	2,162,637	2,074,970
<b>Transactions with equity holders, recognised directly in equity, contributions by and distributions to equity holders</b>								
Final dividend for 2018: scrip	-	2,721,608	-	-	-	-	(3,160,150)	(438,542)
Final dividend for 2018: cash	-	-	-	-	-	-	(1,404,511)	(1,404,511)
Unclaimed dividend adjustment	-	-	-	-	-	12,639	-	12,639
<b>Total contributions by and distributions to equity holders</b>	-	2,721,608	-	-	-	12,639	(4,564,661)	(1,830,414)
<b>Balance as at 31st March 2019</b>	32,795,952	2,721,608	3,470,000	2,409,050	1,073,098	38,922,540	3,241,618	84,633,866

n/a - not applicable

## STATEMENT OF CHANGES IN EQUITY

Group

For the three months ended 31st March 2018	Stated Capital Rs 000	Net Scrip Dividend to be Capitalised Rs 000	Statutory Reserve Fund Rs 000	Other Reserves			Retained Earnings Rs 000	Shareholders' Fund Rs 000	Non Controlling Interest Rs 000	Total Equity Rs 000
				Revaluation Reserve Rs 000	Available for Sale Reserve Rs 000	FVOCI Reserve Rs 000				
Balance as at 31st December 2017	16,307,722	-	2,973,000	5,093,154	2,299,721	n/a	33,701,026	68,908,450	-	68,908,450
Impact of adopting SLFRS 9	-	-	-	-	(2,299,721)	2,299,721	-	(2,188,464)	(2,188,464)	(2,188,464)
<b>Restated balance under SLFRS 9 as at 1st January 2018</b>	16,307,722	-	2,973,000	5,093,154	n/a	2,299,721	33,701,026	66,719,986	-	66,719,986
<b>Total comprehensive income for the period</b>										
Profit for the period	-	-	-	-	n/a	-	-	2,799,516	2,799,516	2,799,516
Other comprehensive income	-	-	-	-	n/a	(936,116)	-	(936,116)	-	(936,116)
<b>Total comprehensive income for the period</b>	-	-	-	-	n/a	(936,116)	-	2,799,516	1,863,400	1,863,400
<b>Transactions with equity holders, recognised directly in equity, contributions by and distributions to equity holders</b>										
Final dividend for 2017 : scrip	-	3,956,178	-	-	n/a	-	-	(4,598,427)	(642,249)	(642,249)
Unclaimed dividend adjustments	-	-	-	-	n/a	-	(32)	-	(32)	(32)
<b>Total contributions by and distributions to equity holders</b>	-	3,956,178	-	-	n/a	-	(32)	(4,598,427)	(642,281)	(642,281)
Transfer to reserves during the period	-	-	8,000	-	n/a	-	-	(8,000)	-	-
<b>Balance as at 31st March 2018</b>	16,307,722	3,956,178	2,981,000	5,093,154	n/a	1,363,605	33,700,994	4,538,452	67,941,105	67,941,105

For the three months ended 31st March 2019	Stated Capital Rs 000	Net Scrip Dividend to be Capitalised Rs 000	Statutory Reserve Fund Rs 000	Other Reserves			Retained Earnings Rs 000	Shareholders' Fund Rs 000	Non Controlling Interest Rs 000	Total Equity Rs 000
				Revaluation Reserve Rs 000	FVOCI Reserve Rs 000	General Reserve				
Balance as at 1st January 2019	32,795,952	-	3,609,000	5,093,154	1,160,765	38,909,902	8,481,881	90,050,654	-	90,050,654
<b>Total comprehensive income for the period</b>										
Profit for the period	-	-	-	-	-	-	2,111,094	2,111,094	-	2,111,094
Other comprehensive income	-	-	-	-	(87,667)	-	-	(87,667)	-	(87,667)
<b>Total comprehensive income for the period</b>	-	-	-	-	(87,667)	-	2,111,094	2,023,427	-	2,023,427
<b>Transactions with equity holders, recognised directly in equity, contributions by and distributions to equity holders</b>										
Final dividend for 2018: scrip	-	2,721,608	-	-	-	-	(3,160,150)	(438,542)	-	(438,542)
Final dividend for 2018: cash	-	-	-	-	-	-	(1,404,511)	(1,404,511)	-	(1,404,511)
Unclaimed dividend adjustment	-	-	-	-	-	12,639	-	12,639	-	12,639
<b>Total contributions by and distributions to equity holders</b>	-	2,721,608	-	-	-	12,639	(4,564,661)	(1,830,414)	-	(1,830,414)
<b>Balance as at 31st March 2019</b>	32,795,952	2,721,608	3,609,000	5,093,154	1,073,098	38,922,541	6,028,314	90,243,667	-	90,243,667

n/a - not applicable

**STATEMENT OF CASH FLOWS**

For the three months ended 31st March	Bank		Group	
	2019	2018	2019	2018
	Rs 000	Rs 000	Rs 000	Rs 000
<b>Cash flows from operating activities</b>				
Interest receipts	25,423,455	22,163,791	26,936,334	23,513,061
Net commission receipts	2,284,711	2,360,217	2,362,935	2,438,282
Interest payments	(14,571,515)	(13,168,046)	(15,363,261)	(13,802,079)
Receipts from other operating activities	669,481	1,604,835	793,517	1,698,046
Cash payments to employees	(3,252,696)	(3,028,124)	(3,462,622)	(3,245,716)
Cash payments to other operating activities	(2,411,598)	(2,634,720)	(1,504,927)	(2,517,848)
Taxes on financial services	(1,679,993)	(939,260)	(1,760,215)	(1,008,924)
<b>Operating profit before changes in operating assets &amp; liabilities</b>	<b>6,461,845</b>	<b>6,358,693</b>	<b>8,001,761</b>	<b>7,074,822</b>
<b>(Increase) / decrease in operating assets</b>				
Balance with Central Bank of Sri Lanka	4,911,540	(1,541,906)	4,911,540	(1,541,906)
Loans to & receivables from banks	385,495	(93,365)	385,495	(93,365)
Loans to & receivables from other customers	(9,088,990)	(41,952,901)	(11,174,881)	(43,431,648)
Other assets	(615,444)	(289,357)	(711,824)	(342,867)
	<b>(4,407,399)</b>	<b>(43,877,529)</b>	<b>(6,589,670)</b>	<b>(45,409,786)</b>
<b>Increase / (decrease) in operating liabilities</b>				
Due to banks	(4,414,574)	5,024,084	(4,414,574)	5,024,084
Re-purchase agreements	(12,255,588)	3,174,386	(12,242,846)	2,680,087
Due to other customers	4,991,291	18,247,623	7,544,697	17,038,565
Other liabilities	1,951,789	4,321,616	1,638,386	4,366,597
	<b>(9,727,082)</b>	<b>30,767,709</b>	<b>(7,474,337)</b>	<b>29,109,333</b>
<b>Net cash generated from operating activities before income tax</b>	<b>(7,672,636)</b>	<b>(6,751,127)</b>	<b>(6,062,246)</b>	<b>(9,225,631)</b>
Income tax paid	(910,152)	(684,715)	(768,171)	(744,423)
<b>Net cash generated from operating activities</b>	<b>(8,582,788)</b>	<b>(7,435,842)</b>	<b>(6,830,417)</b>	<b>(9,970,054)</b>
<b>Cash flows from investing activities</b>				
Net cash flow from reverse repurchase agreements	(3,249,999)	1,200,000	(3,794,953)	1,174,342
Net cash flow from financial assets - FVPL	6,294,852	(5,635,840)	6,294,852	(5,635,840)
Net cash flow from financial assets - held to maturity	-	(50,823,384)	-	(50,821,272)
Net cash flow from debt & other instruments	1,231,404	(6,216,931)	1,231,278	(6,216,931)
Net cash flow from financial assets - FVOCI	10,662,020	49,969,669	10,662,020	49,969,669
Dividend received from financial assets	967	1,366	965	1,366
Investment in subsidiaries	-	(500,000)	-	-
Purchase of property, plant & equipment	(134,139)	(206,905)	(546,164)	(339,689)
Purchase of intangible assets	(46,058)	(93,113)	(46,558)	(93,669)
Proceeds from disposal of property plant & equipment	3,201	438	7,952	682
<b>Net cash used in investing activities</b>	<b>14,762,248</b>	<b>(12,304,700)</b>	<b>13,809,392</b>	<b>(11,961,342)</b>
<b>Cash flows from financing activities</b>				
Net increase in debentures	7,000,000	7,500,000	7,000,000	7,500,000
(Decrease) / Increase in other borrowed funds	(721,248)	9,094,092	(1,431,162)	11,284,582
<b>Net cash generated from financing activities</b>	<b>6,278,752</b>	<b>16,594,092</b>	<b>5,568,838</b>	<b>18,784,582</b>
<b>Net cash generated during the period</b>	<b>12,458,212</b>	<b>(3,146,450)</b>	<b>12,547,813</b>	<b>(3,146,814)</b>
<b>Cash &amp; cash equivalents at the beginning of the year</b>	<b>26,624,318</b>	<b>25,377,229</b>	<b>26,727,226</b>	<b>25,645,013</b>
<b>Cash &amp; cash equivalents at the end of the period</b>	<b>39,082,530</b>	<b>22,230,779</b>	<b>39,275,039</b>	<b>22,498,199</b>

**NOTES TO THE FINANCIAL STATEMENTS**

**(1) Loans to & Receivables from Other Customers**

	Bank		Group	
	31.03.2019	31.12.2018	31.03.2019	31.12.2018
	Rs 000	(Audited) Rs 000	Rs 000	(Audited) Rs 000
Gross loans & receivables	674,409,035	668,654,790	705,612,107	697,771,969
Impairment for expected credit losses	(23,376,319)	(20,285,557)	(25,296,801)	(21,877,950)
<b>Net loans &amp; receivables</b>	<b>651,032,716</b>	<b>648,369,233</b>	<b>680,315,306</b>	<b>675,894,019</b>

**(2) Loans to & Receivables from Other Customers - by Product**

	Bank		Group	
	31.03.2019	31.12.2018	31.03.2019	31.12.2018
	Rs 000	(Audited) Rs 000	Rs 000	(Audited) Rs 000
<b>By Product - LKR</b>				
Bills of exchange	380,511	1,542,158	380,511	1,542,158
Leasing	23,650,434	23,761,162	51,747,472	50,117,010
Housing loans	37,661,096	36,971,911	37,661,096	36,971,911
Export loans	3,218,433	2,499,757	3,218,433	2,499,757
Import loans	69,810,187	74,195,127	69,810,187	72,866,278
Refinance loans	12,133,245	11,823,708	12,133,245	11,823,708
Term loans	272,988,524	267,611,030	273,989,409	269,375,857
Hire purchase	48,654	65,187	140,521	177,932
Loans against investment fund account (IFA)	180,251	203,496	180,251	203,496
Overdraft	95,846,180	96,155,118	95,652,230	96,078,102
Staff loans	7,338,556	7,222,389	7,481,820	7,370,093
Pawning	27,688,756	24,933,516	27,688,756	24,933,516
Credit cards	14,178,619	14,403,079	14,178,619	14,403,079
Money market loans	21,673,346	13,348,788	21,673,346	13,348,788
Factoring	4,119,170	4,546,580	5,945,113	6,497,089
Others	48,480	81,119	286,505	272,530
<b>Sub total</b>	<b>590,964,442</b>	<b>579,364,125</b>	<b>622,167,514</b>	<b>608,481,304</b>
<b>By Product - Foreign Currency</b>				
Bills of exchange	2,616,757	2,959,726	2,616,757	2,959,726
Housing loans	1,016,493	1,029,041	1,016,493	1,029,041
Export loans	21,362,973	21,587,661	21,362,973	21,587,661
Import loans	4,685,683	5,791,043	4,685,683	5,791,043
Term loans	50,309,002	53,701,327	50,309,002	53,701,327
Overdraft	3,351,725	4,095,584	3,351,725	4,095,584
Others	101,960	126,283	101,960	126,283
<b>Sub total</b>	<b>83,444,593</b>	<b>89,290,665</b>	<b>83,444,593</b>	<b>89,290,665</b>
<b>Total gross loans and receivables</b>	<b>674,409,035</b>	<b>668,654,790</b>	<b>705,612,107</b>	<b>697,771,969</b>

**NOTES TO THE FINANCIAL STATEMENTS**

**( 3 ) Movement in impairment for expected credit losses on loans to & receivables from other customers - based on exposure to credit risk**

**Bank**

	<b>Stage 1 Rs 000</b>	<b>Stage 2 Rs 000</b>	<b>Stage 3 Rs 000</b>	<b>Total Rs 000</b>
Balance as at 01st January 2019	2,901,724	2,097,246	15,286,587	20,285,557
Net charge to profit or loss	(162,497)	238,776	3,254,127	3,330,406
Write-off during the year	-	-	(186,446)	(186,446)
Interest income accrued on impaired loans & receivables	-	-	(196,348)	(196,348)
Other movements	-	-	143,150	143,150
<b>Balance as at 31st March 2019</b>	<b>2,739,227</b>	<b>2,336,022</b>	<b>18,301,070</b>	<b>23,376,319</b>

**Group**

	<b>Stage 1 Rs 000</b>	<b>Stage 2 Rs 000</b>	<b>Stage 3 Rs 000</b>	<b>Total Rs 000</b>
Balance as at 01st January 2019	2,967,544	2,206,593	16,703,813	21,877,950
Net charge to profit or loss	(144,823)	258,439	3,546,743	3,660,359
Write-off during the year	-	-	(186,446)	(186,446)
Interest income accrued on impaired loans & receivables	-	-	(196,348)	(196,348)
Other movements	-	-	141,286	141,286
<b>Balance as at 31st March 2019</b>	<b>2,822,721</b>	<b>2,465,032</b>	<b>20,009,048</b>	<b>25,296,801</b>

**( 4 ) Due to Other Customers - By Product**

	<b>Bank</b>		<b>Group</b>	
	<b>31.03.2019 Rs 000</b>	<b>31.12.2018 (Audited) Rs 000</b>	<b>31.03.2019 Rs 000</b>	<b>31.12.2018 (Audited) Rs 000</b>
<b>Local Currency Deposits</b>				
Demand deposits	29,059,412	29,654,671	29,028,383	29,647,570
Saving deposits	178,905,806	174,415,928	178,695,549	174,199,790
Call deposits	73,757	138,441	73,757	138,441
Fixed deposits	402,859,464	395,594,414	414,936,644	405,100,141
Certificates of deposits	15,805,790	15,860,591	15,805,790	15,860,591
Margin deposits	1,998,935	2,730,520	1,998,935	2,730,520
<b>Total local currency deposits</b>	<b>628,703,164</b>	<b>618,394,565</b>	<b>640,539,058</b>	<b>627,677,053</b>
<b>Foreign Currency Deposits</b>				
Demand deposits	3,334,049	4,688,043	3,334,049	4,688,043
Saving deposits	21,820,181	23,004,614	21,820,181	23,004,614
Fixed deposits	41,577,355	44,168,021	41,577,355	44,168,021
Margin deposits	126,163	123,309	126,163	123,309
<b>Total foreign currency deposits</b>	<b>66,857,748</b>	<b>71,983,987</b>	<b>66,857,748</b>	<b>71,983,987</b>
<b>Total deposits</b>	<b>695,560,912</b>	<b>690,378,552</b>	<b>707,396,806</b>	<b>699,661,040</b>

## EXPLANATORY NOTES

- There are no changes to the accounting policies and methods of computation since the publication of the annual accounts for the year 2018 other than the item disclosed in Notes 8 below.
- The Group Financial Statements comprise a consolidation of the Bank and its fully owned subsidiaries, Siyapatha Finance PLC, Sampath Centre Ltd, SC Securities (Pvt) Ltd and Sampath Information Technology Solutions Ltd.
- There are no material changes during the period in the composition of assets, liabilities and contingent liabilities. All known expenditure items have been provided for.
- 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.

5. Market Price of a Share	2019 (Rs)	2018 (Rs)
Market Price as at 31st March	<b>180.10</b>	300.00
Highest Market Price during the quarter ended 31st March	<b>245.00</b>	335.50
Lowest Market Price during the quarter ended 31st March	<b>174.50</b>	289.00
Weighted Average Market price during the quarter ended 31st March	<b>217.01</b>	317.52

### 6. Rights Issue - 2019

The Bank announced a Rights Issue on 01st March 2019 to issue 89,006,863 new ordinary voting shares on the basis of seven (07) new ordinary voting shares for every twenty three (23) existing ordinary voting shares at the price of Rs 136.00 per share. This Rights Issue is to be approved by the shareholders at the Extraordinary General Meeting to be held on 15th May 2019.

### 7. Funds raised from debenture issue 2019

Objective number	Objective as per Prospectus	Amount allocated as per Prospectus	Proposed date of utilization as per Prospectus	Amount allocated from proceeds (A)	% of total proceeds	Amounts utilized (B)	% of utilization against allocation (B/A)	Clarification if not fully utilized including where the funds are invested
1	To increase the loan portfolio	Rs 7.0 Bn	28.08.2019	Rs 7.0 Bn	100%	Rs 6.6 Bn	94%	94% of the amount raised was disbursed within the month. The balance will be lent before 28.08.2019.
2	To increase the Tier II capital base of the Bank	Rs 7.0 Bn	28.08.2019	Rs 7.0 Bn	100%	Rs 7.0 Bn	100%	Fully utilized

### 8. Sri Lanka Accounting Standard - SLFRS 16 (Leasing)

The Bank adopted Sri Lanka Accounting Standard - SLFRS 16 (Leasing) with effect from 01st January 2019.

- Mr C. Palansuriya, the Chairman (Non Independent Director) of the Bank resigned from the Board of Directors with effect from 01st April 2019. The Board of Directors appointed Professor Malik Ranasinghe as the new Chairman of the Bank with effect from 02nd April 2019.

### 10. Comparative Information

The Bank re-stated / re-classified comparative information wherever necessary to conform to the current period's presentation.

The following line items of the Statement of Profit or Loss and the Statement of Other Comprehensive Income in interim Financial Statements for the period ended 31st March 2018 were restated based on SLFRS 09.

For the three months ended 31st March 2018	Bank		Group	
	Restated	As reported in 2018	Restated	As reported in 2018
Impairment charge	2,061,206	1,098,130	2,218,686	1,240,816
Net operating income	9,767,674	10,730,750	10,337,714	11,315,584
Operating profit before taxes on financial services	5,094,958	6,058,034	5,288,942	6,266,812
Value added tax on financial services	923,370	1,045,120	984,299	1,106,048
Nation building tax on financial services	123,116	139,349	131,852	148,086
Profit before income tax	4,048,472	4,873,565	4,172,791	5,012,678
Income tax expense	1,294,216	1,563,882	1,373,275	1,647,084
Profit for the period	2,754,256	3,309,683	2,799,516	3,365,594
Total comprehensive income for the period net of tax	1,818,140	2,373,567	1,863,400	2,429,478

**SAMPATH BANK PLC (ORDINARY SHARES)  
TOP 20 SHAREHOLDERS AS AT 31 MARCH 2019**

	<b>Name of the Shareholder</b>	<b>No. of shares</b>	<b>% holding</b>
1	Vallibel One PLC	42,003,031	14.95
2	Mr Y S H I Silva*	28,038,662	9.98
3	Employees' Provident Fund	28,013,244	9.97
4	BBH-Matthews International Funds-Matthews Asia Growth Fund	16,126,387	5.74
5	Rosewood (Pvt) Limited - Account No.1	11,785,675	4.20
6	BBH-Matthews Emerging Asia Fund	8,406,406	2.99
7	Citi Bank Newyork S/A Norges Bank Account 2	8,397,870	2.99
8	Phoenix Ventures Private Limited	6,113,748	2.18
9	Akbar Brothers Pvt Ltd A/C No. 1	5,818,255	2.07
10	Sampath Bank PLC Account No. 4 (Sampath Bank Pension Fund)	3,502,867	1.25
11	Seylan Bank PLC / W D N H Perera	3,252,576	1.16
12	Pemberton Asian Opportunities Fund	3,049,998	1.09
13	Pershing LLC S/A Averbach Grauson & Co.	2,844,609	1.01
14	Employees Trust Fund Board	2,681,249	0.95
15	Jinadasa Brothers (Pvt) Ltd	2,535,653	0.90
16	Union Assurance PLC/No-01 A/C	2,413,533	0.86
17	BNYMSANV RE-MAGNA UMBRELLA FUND PLC	2,378,973	0.85
18	Morgan Stanley and Co.LLC-RWC Frontier Markets Equity Master Fund	2,312,299	0.82
19	Mellon Bank N.A.- UPS Group Trust	2,274,927	0.81
20	BNYM RE-BUTTERFIELD Trust ( Bermuda ) Limited	2,157,354	0.77
		<u>184,107,316</u>	<u>65.54</u>
	Shares held by Directors	35,046	0.01
	Balance held by other shareholders	<u>96,759,886</u>	<u>34.45</u>
	<b>Total</b>	<b><u>280,902,248</u></b>	<b><u>100.00</u></b>

**Number of public shareholders** **20,070**  
**Percentage of public holding as at 31st March 2019** **88.74%**

\*Mr Rushanka Silva, the Managing Director of Indra Traders (Pvt) Ltd, was appointed as a Non Executive, Non Independent Director of the Bank with effect from 01st September 2017. Accordingly the shareholding of Mr Y S H I Silva, who is the main shareholder of Indra Traders (Pvt) Ltd, has been excluded from the public shareholding of the Bank.

## Directors' Holding in Shares of Sampath Bank PLC

Director's Name	No. of shares held	
	As at 31.03.2019	As at 31.12.2018
1 Mr C Palansuriya*	-	-
2 Prof M Ranasinghe	100	100
3 Mr S Senanayake	-	-
4 Mr D Sooriyaarachchi	-	-
5 Mrs D S Wijayatilake	-	-
6 Miss A Senanayake	-	-
7 Mr R Pathirana	18,010	18,010
8 Mrs S Amarasekera	-	-
9 Mr Rushanka Silva	-	-
10 Mr D K de Silva Wijeyeratne	-	-
11 Mr M N R Fernando (Managing Director)	16,936	16,936

\* Resigned w.e.f. 01st April 2019



**Segment Information - Group**

For the three months ended 31st March	Banking		Leasing, Hire purchase & Factoring		Dealing / Investment		Other		Eliminations/Unallocated		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Net interest income	8,488,106	6,993,762	942,630	888,608	1,464,113	1,066,024	-	-	-	-	10,894,849	8,948,394
Dividend income	-	-	-	-	126,908	123,942	-	-	-	-	126,908	123,942
Net fee & commission income	2,245,676	2,263,482	105,763	108,920	2,916	7,403	-	-	-	-	2,354,355	2,379,805
Foreign exchange profit	(505,340)	304,036	-	-	653,061	701,375	-	(53)	-	-	147,721	1,005,358
Other income	46,183	24,287	76,969	62,530	88,810	(21,141)	45,052	33,225	-	-	257,014	98,901
Total revenue from external customers	10,274,625	9,585,567	1,125,362	1,060,058	2,335,808	1,877,603	45,052	33,172	-	-	13,780,847	12,556,400
Inter segment revenue	81,639	110,128	-	-	-	-	145,127	137,921	(226,766)	(248,049)	-	-
Total operating income	<b>10,356,264</b>	<b>9,695,695</b>	<b>1,125,362</b>	<b>1,060,058</b>	<b>2,335,808</b>	<b>1,877,603</b>	<b>190,179</b>	<b>171,093</b>	<b>(226,766)</b>	<b>(248,049)</b>	<b>13,780,847</b>	<b>12,556,400</b>
Less :Impairment charge	3,404,357	2,066,185	393,248	153,347	-	-	7,089	(846)	-	-	3,804,694	2,218,686
Net operating Income	6,951,907	7,629,510	732,114	906,711	2,335,808	1,877,603	183,090	171,939	(226,766)	(248,049)	<b>9,976,153</b>	<b>10,337,714</b>
Less : Total operating expenses	4,147,737	3,854,819	464,763	482,976	961,572	715,877	131,609	134,448	(149,269)	(139,348)	5,556,412	5,048,772
<b>Segment result</b>	<b>2,804,170</b>	<b>3,774,691</b>	<b>267,351</b>	<b>423,735</b>	<b>1,374,236</b>	<b>1,161,726</b>	<b>51,481</b>	<b>37,491</b>	<b>(77,497)</b>	<b>(108,701)</b>	<b>4,419,741</b>	<b>5,288,942</b>
Less: Taxes on financial services											1,572,884	1,116,151
Less: Income tax expenses											735,763	1,373,275
<b>Profit for the year</b>											<b>2,111,094</b>	<b>2,799,516</b>
Non controlling interest											-	-
Profit attributable to equity holders of the Bank											<b>2,111,094</b>	<b>2,799,516</b>
<b>As at 31st March</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>
Segment assets	674,878,082	637,582,201	62,245,011	54,174,367	178,562,791	156,405,230	6,674,420	6,300,996	(9,428,711)	(6,912,115)	912,931,593	847,550,679
Unallocated assets	-	-	-	-	-	-	-	-	34,465,158	27,410,763	34,465,158	27,410,763
<b>Total assets</b>	<b>674,878,082</b>	<b>637,582,201</b>	<b>62,245,011</b>	<b>54,174,367</b>	<b>178,562,791</b>	<b>156,405,230</b>	<b>6,674,420</b>	<b>6,300,996</b>	<b>25,036,447</b>	<b>20,498,648</b>	<b>947,396,751</b>	<b>874,961,442</b>
Segment liabilities	556,995,089	534,416,886	66,937,240	59,928,699	237,922,736	215,552,262	2,334,794	2,048,453	(7,036,775)	(4,988,313)	857,153,084	806,957,989
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>556,995,089</b>	<b>534,416,886</b>	<b>66,937,240</b>	<b>59,928,699</b>	<b>237,922,736</b>	<b>215,552,262</b>	<b>2,334,794</b>	<b>2,048,453</b>	<b>(7,036,775)</b>	<b>(4,988,313)</b>	<b>857,153,084</b>	<b>806,957,989</b>
<b>For the three months ended 31st March</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>
Cash flows from operating activities	(8,582,787)	(7,435,842)	1,356,517	(2,030,747)	9,857	(21,779)	163,480	83,929	222,516	(565,615)	(6,830,417)	(9,970,054)
Cash flows from investing activities	-	(500,000)	(2,548,760)	(585,867)	14,940,191	(11,537,559)	(130,241)	(134,584)	1,548,202	796,668	13,809,392	(11,961,342)
Cash flows from financing activities	6,278,752	16,594,092	(718,385)	2,543,095	-	-	(90,627)	174,006	99,098	(526,611)	5,568,838	18,784,582
Capital expenditure	-	-	234,986	21,203	-	-	156,127	112,137	201,609	300,018	592,722	433,358

**ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS**

**Bank - As at 31st March 2019**

Financial Assets	Fair value through Profit or Loss	Amortised Cost	Fair Value through Other Comprehensive Income	Total
	Rs 000	Rs 000	Rs 000	Rs 000
Cash & cash equivalents	-	22,959,036	-	22,959,036
Balances with Central Bank of Sri Lanka	-	31,646,236	-	31,646,236
Placements with banks	-	16,320,475	-	16,320,475
Reverse repurchase agreements	-	3,752,671	-	3,752,671
Derivative financial instruments	846,802	-	-	846,802
Financial assets recognised through profit or loss - measured at fair value	21,512,704	-	-	21,512,704
Financial assets at amortised cost				
Loans to & receivables from banks	-	1,258,271	-	1,258,271
Loans to & receivables from other customers	-	651,032,716	-	651,032,716
Debt & other instruments	-	119,233,277	-	119,233,277
Financial assets - fair value through other comprehensive income	-	-	16,733,429	16,733,429
Other assets	-	6,085,515	-	6,085,515
<b>Total Financial Assets</b>	<b>22,359,506</b>	<b>852,288,197</b>	<b>16,733,429</b>	<b>891,381,132</b>

Financial Liabilities	Fair value through Profit or Loss	Amortised Cost	Total
	Rs 000	Rs 000	Rs 000
Due to banks	-	3,525,764	3,525,764
Derivative financial instruments	1,210,808	-	1,210,808
Securities sold under repurchase agreements	-	1,469,873	1,469,873
Due to other customers	-	695,560,912	695,560,912
Debt issued & other borrowed funds	-	95,081,559	95,081,559
Dividend payable	-	1,928,536	1,928,536
Other liabilities	-	13,019,629	13,019,629
<b>Total Financial Liabilities</b>	<b>1,210,808</b>	<b>810,586,273</b>	<b>811,797,081</b>

**Bank - As at 31st December 2018 (Audited)**

Financial Assets	Fair value through Profit or Loss	Amortised Cost	Fair Value through Other Comprehensive Income	Total
	Rs 000	Rs 000	Rs 000	Rs 000
Cash & cash equivalents	-	19,051,955	-	19,051,955
Balances with Central Bank of Sri Lanka	-	36,557,776	-	36,557,776
Placements with banks	-	8,746,926	-	8,746,926
Reverse repurchase agreements	-	500,124	-	500,124
Derivative financial instruments	1,171,037	-	-	1,171,037
Financial assets recognised through profit or loss - measured at fair value	27,720,246	-	-	27,720,246
Financial assets at amortised cost				
Loans to & receivables from banks	-	1,644,405	-	1,644,405
Loans to & receivables from other customers	-	648,369,233	-	648,369,233
Debt & other instruments	-	121,105,392	-	121,105,392
Financial assets - fair value through other comprehensive income	-	-	27,517,305	27,517,305
Other assets	-	5,434,982	-	5,434,982
<b>Total Financial Assets</b>	<b>28,891,283</b>	<b>841,410,793</b>	<b>27,517,305</b>	<b>897,819,381</b>

Financial Liabilities	Fair value through Profit or Loss	Amortised Cost	Total
	Rs 000	Rs 000	Rs 000
Due to banks	-	8,901,463	8,901,463
Derivative financial instruments	2,952,319	-	2,952,319
Securities sold under repurchase agreements	-	13,732,205	13,732,205
Due to other customers	-	690,378,552	690,378,552
Debt issued & other borrowed funds	-	89,948,406	89,948,406
Dividend payable	-	97,462	97,462
Other liabilities	-	8,390,901	8,390,901
<b>Total Financial Liabilities</b>	<b>2,952,319</b>	<b>811,448,989</b>	<b>814,401,308</b>

**ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS**

**Group - As at 31st March 2019**

Financial Assets	Fair value through Profit or Loss	Amortised Cost	Fair Value through Other Comprehensive Income	Total
	Rs 000	Rs 000	Rs 000	Rs 000
Cash & cash equivalents	-	23,224,124	-	23,224,124
Balances with Central Bank of Sri Lanka	-	31,646,236	-	31,646,236
Placements with banks	-	16,320,475	-	16,320,475
Reverse repurchase agreements	-	6,056,353	-	6,056,353
Derivative financial instruments	846,802	-	-	846,802
Financial assets recognised through profit or loss - measured at fair value	21,512,704	-	-	21,512,704
Financial assets at amortised cost				
Loans to & receivables from banks	-	1,258,271	-	1,258,271
Loans to & receivables from other customers	-	680,315,306	-	680,315,306
Debt & other instruments	-	119,237,697	-	119,237,697
Financial assets - fair value through other comprehensive income	-	-	16,733,485	16,733,485
Other assets	-	6,360,926	-	6,360,926
<b>Total Financial Assets</b>	<b>22,359,506</b>	<b>884,419,388</b>	<b>16,733,485</b>	<b>923,512,379</b>

Financial Liabilities	Fair value through Profit or Loss	Amortised Cost	Total
	Rs 000	Rs 000	Rs 000
Due to banks	-	3,598,347	3,598,347
Derivative financial instruments	1,210,808	-	1,210,808
Securities sold under repurchase agreements	-	1,459,882	1,459,882
Due to other customers	-	707,396,806	707,396,806
Debt issued & other borrowed funds	-	110,894,795	110,894,795
Dividend payable	-	1,928,536	1,928,536
Other liabilities	-	13,899,787	13,899,787
<b>Total Financial Liabilities</b>	<b>1,210,808</b>	<b>839,178,153</b>	<b>840,388,961</b>

**Group - As at 31st December 2018 (Audited)**

Financial Assets	Fair value through Profit or Loss	Amortised Cost	Fair Value through Other Comprehensive Income	Total
	Rs 000	Rs 000	Rs 000	Rs 000
Cash & cash equivalents	-	19,218,254	-	19,218,254
Balances with Central Bank of Sri Lanka	-	36,557,776	-	36,557,776
Placements with banks	-	8,746,926	-	8,746,926
Reverse repurchase agreements	-	2,258,852	-	2,258,852
Derivative financial instruments	1,171,037	-	-	1,171,037
Financial assets recognised through profit or loss - measured at fair value	27,720,246	-	-	27,720,246
Financial assets at amortised cost				
Loans to & receivables from banks	-	1,644,405	-	1,644,405
Loans to & receivables from other customers	-	675,894,019	-	675,894,019
Debt & other instruments	-	121,109,711	-	121,109,711
Financial assets - fair value through other comprehensive income	-	-	27,517,361	27,517,361
Other assets	-	5,845,058	-	5,845,058
<b>Total Financial Assets</b>	<b>28,891,283</b>	<b>871,275,001</b>	<b>27,517,361</b>	<b>927,683,645</b>

Financial Liabilities	Fair value through Profit or Loss	Amortised Cost	Total
	Rs 000	Rs 000	Rs 000
Due to banks	-	8,964,857	8,964,857
Derivative financial instruments	2,952,319	-	2,952,319
Securities sold under repurchase agreements	-	13,709,472	13,709,472
Due to other customers	-	699,661,040	699,661,040
Debt issued & other borrowed funds	-	106,373,545	106,373,545
Dividend payable	-	97,462	97,462
Other liabilities	-	8,523,975	8,523,975
<b>Total Financial Liabilities</b>	<b>2,952,319</b>	<b>837,330,351</b>	<b>840,282,670</b>

**DEBENTURE INFORMATION**

**(a) Market Values**

Debentures - 2014 / 2019	Highest (Rs)		Lowest (Rs)		Quarter End (Rs)	
	2019	2018	2019	2018	2019	2018
Fixed - 8.25%	100.00	N/T	100.00	N/T	100.00	N/T
Fixed - 8.10%	N/T	N/T	N/T	N/T	N/T	N/T

N/T - Not Traded

Debentures - 2015 / 2020	Highest (Rs)		Lowest (Rs)		Quarter End (Rs)	
	2019	2018	2019	2018	2019	2018
Fixed - 9.90%	N/T	N/T	N/T	N/T	N/T	N/T
Floating rate	N/T	N/T	N/T	N/T	N/T	N/T

N/T - Not Traded

Debentures - 2016 / 2021	Highest (Rs)		Lowest (Rs)		Quarter End (Rs)	
	2019	2018	2019	2018	2019	2018
Fixed - 12.75%	100.00	99.00	100.00	99.00	100.00	99.00
Floating rate	97.50	98.50	97.50	98.50	97.50	98.50

Debentures - 2017 / 2022	Highest (Rs)		Lowest (Rs)		Quarter End (Rs)	
	2019	2018	2019	2018	2019	2018
Fixed - 12.50%	N/T	N/T	N/T	N/T	N/T	N/T

N/T - Not Traded

Debentures - 2018 / 2023	Highest (Rs)		Lowest (Rs)		Quarter End (Rs)	
	2019	2018	2019	2018	2019	2018
Fixed - 12.50%	N/T	N/T	N/T	N/T	N/T	N/T

N/T - Not Traded

Debentures - 2019 / 2024	Highest (Rs)		Lowest (Rs)		Quarter End (Rs)	
	2019	2018	2019	2018	2019	2018
Fixed - 13.90%	N/T	N/A	N/T	N/A	N/T	N/A

N/T - Not Traded

N/A - Not Available

**(b) Interest Rates**

Debentures - 2014 / 2019	2019		2018	
	Coupon rate	Effective rate	Coupon rate	Effective rate
Fixed - 8.25%	8.25%	8.25%	8.25%	8.25%
Fixed - 8.10%	8.10%	8.26%	8.10%	8.26%

Debentures - 2015 / 2020	2019		2018	
	Coupon rate	Effective rate	Coupon rate	Effective rate
Fixed - 9.90%	9.90%	10.15%	9.90%	10.15%
Floating rate	Note 01			

Debentures - 2016 / 2021	2019		2018	
	Coupon rate	Effective rate	Coupon rate	Effective rate
Fixed - 12.75%	12.75%	12.75%	12.75%	12.75%
Floating rate	Note 01			

Debentures - 2017 / 2022	2019		2018	
	Coupon rate	Effective rate	Coupon rate	Effective rate
Fixed - 12.50%	12.50%	12.89%	12.50%	12.89%

Debentures - 2018 / 2023	2019		2018	
	Coupon rate	Effective rate	Coupon rate	Effective rate
Fixed - 12.50%	12.50%	12.89%	12.50%	12.89%

Debentures - 2019 / 2024	2019		2018	
	Coupon rate	Effective rate	Coupon rate	Effective rate
Fixed - 13.90%	13.90%	13.90%	N/A	N/A

N/A - Not Available

Note 01

**Debentures - 2015 / 2020**

Floating rate is equivalent to the six month net treasury bill rate plus 1.25 % p.a. payable semi annually.

**Debentures - 2016 / 2021**

Floating rate is equivalent to the six month gross treasury bill rate plus 1.00 % p.a. payable semi annually.

(c) Interest Rate of Comparable Government Securities

	2019	2018
3 Month Treasury Bill	9.39%	9.08%
6 Month Treasury Bill	9.67%	9.47%
5 Year Treasury Bond	10.93%	10.11%

(d) Current Yield & Yield to maturity

Debentures - 2014 / 2019	Fixed 8.25%		Fixed 8.10%	
	2019	2018	2019	2018
Current yield	8.25%	N/T	N/T	N/T
Yield to maturity of last trade	8.16%	N/T	N/T	N/T

N/T - Not Traded

Debentures - 2015 / 2020	Fixed 9.90%		Floating	
	2019	2018	2019	2018
Current yield	N/T	N/T	N/T	N/T
Yield to maturity of last trade	N/T	N/T	N/T	N/T

N/T - Not Traded

Debentures - 2016 / 2021	Fixed 12.75%		Floating	
	2019	2018	2019	2018
Current yield	12.75%	12.88%	11.60%	11.19%
Yield to maturity of last trade	12.66%	13.06%	12.30%	11.27%

Debentures - 2017 / 2022	Fixed 12.50%	
	2019	2018
Current yield	N/T	N/T
Yield to maturity of last trade	N/T	N/T

N/T - Not Traded

Debentures - 2018 / 2023	Fixed 12.50%	
	2019	2018
Current yield	N/T	N/T
Yield to maturity of last trade	N/T	N/T

N/T - Not Traded

Debentures - 2019 / 2024	Fixed 12.50%	
	2019	2018
Current yield	N/T	N/A
Yield to maturity of last trade	N/T	N/A

N/T - Not Traded

N/A - Not Available

(e) Ratios - Bank

	31.03.2019	31.12.2018
Debt to Equity Ratio (%)	82.9%	71.2%
Interest Cover (Times)	4.4	5.5
Quick Asset Ratio (%) (as per CBSL Return)	84.4%	80.2%

**SELECTED PERFORMANCE INDICATORS (AS PER REGULATORY REPORTING)**

Item	As At 31.03.2019	As At 31.12.2018 (Audited)	As At 31.03.2019	As At 31.12.2018 (Audited)
	Bank		Group	
<b>Regulatory Capital (Rs 000)</b>				
Common Equity Tier 1 Capital	76,584,259	79,238,528	80,557,517	84,151,213
Tier 1 Capital	76,584,259	79,238,528	80,557,517	84,151,213
Total Capital	105,746,781	103,161,168	109,870,039	108,866,759
<b>Regulatory Capital Ratios (%)</b>				
Common Equity Tier 1 Capital Ratio (Minimum Requirement: 2019 - 8.50%, 2018 - 7.375%)	11.72	12.08	11.62	12.13
Tier 1 Capital Ratio (Minimum Requirement: 2019 - 10.00%, 2018 - 8.875%)	11.72	12.08	11.62	12.13
Total Capital Ratio (Minimum Requirement: 2019 - 14.00%, 2018 - 12.875%)	16.19	15.73	15.84	15.69
<b>Leverage Ratio % (Minimum Requirement - 3%)</b>	7.04	n/a	7.16	n/a

	As At 31.03.2019	As At 31.12.2018 (Audited)
	Bank	
<b>Assets Quality (Quality of Loan Portfolio)</b>		
Gross Non - Performing Advances Ratio, % (Net of Interest in Suspense)	<b>4.87</b>	3.69
Net Non - Performing Advances Ratio, % (Net of Interest in Suspense and Provision)	<b>3.42</b>	2.39
<b>Profitability</b>		
Interest Margin, %	<b>4.54</b>	4.41
Return on Assets (Before Tax), %	<b>1.27</b>	2.13
Return on Equity (After Tax), %	<b>10.38</b>	16.02
<b>Regulatory Liquidity</b>		
Statutory Liquid Assets (Rs 000)	190,115,555	173,516,297
Statutory Liquid Assets Ratio (Minimum Requirement - 20%)		
Domestic Banking Unit (%)	22.82	21.50
Off-Shore Banking Unit (%)	28.36	25.78
Total Stock of High-Quality Liquid Assets (Rs 000)	113,606,585	111,973,104
Liquidity Coverage Ratio (%) - Rupee (Minimum Requirement: 2019 - 100%, 2018 - 90%)	162.35	125.03
Liquidity Coverage Ratio (%) - All Currency (Minimum Requirement: 2019 - 100%, 2018 - 90%)	138.11	125.42
Net Stable Funding Ratio (%) (Minimum Requirement - 100%)	128.14	n/a

n/a - not applicable