



# Bank of Ceylon

# REPORT & ACCOUNTS

1973

# Bank of Ceylon

## HIGHLIGHTS OF 1973

DEPOSITS      47% of total commercial  
bank deposits

ADVANCES      31% of total commercial  
bank advances

PROFITS      Rs. 22.25 Million

### PARTICIPATION IN ECONOMIC

#### DEVELOPMENT

Advances to Industry

28% of all commercial banks

Advances to Agriculture

21% of all commercial banks

Finance for non traditional  
Exports up Rs. 76 Million

### EXTENSION OF BANKING SERVICES

267 offices in Sri Lanka (Ceylon)

Overseas office-London

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**Bank of Ceylon**

**THIRTY FIFTH**

**ANNUAL REPORT  
AND ACCOUNTS**

# Board of Directors

(As at 1st November 1974)

CHAIRMAN

**L. N. L. PERERA**

Chartered Accountant

**L. O. DE SILVA**

Senior Assistant Secretary  
Ministry of Finance  
(Ex-Officio)

**S. E. SATARASINGHE**

Company Director

**U. K. EDMUND**

Company Director

**N. S. E. PERERA**

Architect

**V. KARALASINGHAM**

Barrister-at-law

Secretary to the Board

**M. DE S. BORALESSA**

# Management

(As at 1st November 1974)

**M. MOHEED**

GENERAL MANAGER

**E. C. G. WICKREMASINGHE**

DEPUTY GENERAL MANAGER (SENIOR) - FOREIGN

**V. A. V. WETTASINGHE**

DEPUTY GENERAL MANAGER - DOMESTIC

**J. M. DE SILVA**

ASSISTANT GENERAL MANAGER

**D. T. H. DE MEL**

CHIEF ACCOUNTANT

**L. P. N. SINGHAM**

ACTING CHIEF INSPECTOR OF BRANCHES

# Annual Report

OF THE BOARD OF DIRECTORS

## OF THE BANK OF CEYLON FOR THE YEAR ENDED 31st DECEMBER, 1973.

In accordance with the provisions of Section 14 of the Finance Act No. 38 of 1971 the Board of Directors of the Bank of Ceylon have the honour to present their Annual Report for the year ended 31st December, 1973.

## ACCOUNTS

### LIQUID ASSETS

As at 31st December, 1973, Cash, Bullion, Loans at Call and Treasury Bills amounted to Rs. 510 million. Bills amounting to Rs. 35 million were discounted. Including the aforesaid the total liquid assets amounted to Rs. 545 million. The ratio of liquid assets to total deposits was 37% as compared with 41% as at 31st December, 1972.

### EXPORT FINANCE

The value of bills purchased and bills collected in respect of traditional exports was Rs. 378 million as compared with Rs. 494 million in 1972. In respect of non-traditional exports the value of bills purchased and collected was Rs. 152 million as against Rs. 76 million in 1972.

The value of export finance for traditional exports has registered a decline of Rs. 116 million as compared with the previous year. It is however encouraging that export finance for non-traditional exports has registered a sharp increase of Rs. 76 million in 1973 as compared with the corresponding figure for 1972.

### INVESTMENTS

The cost of the Bank's investments including investments in its subsidiaries as at 31st December 1973 was Rs. 295,188,507 as detailed below :

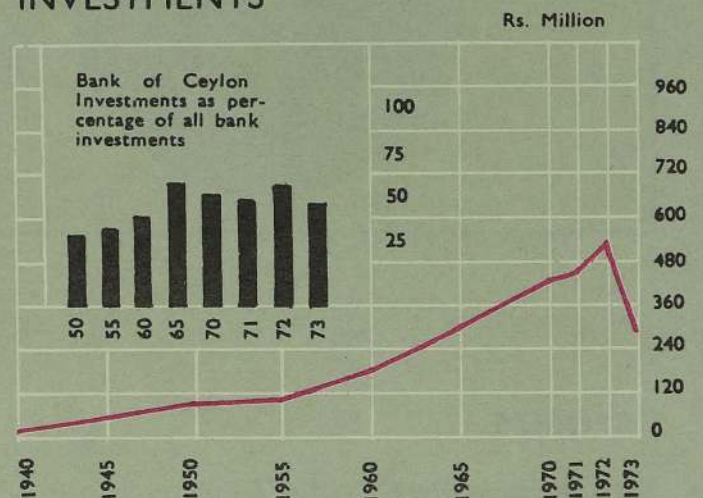
	Rs.
Government Securities	288,704,133
Development Finance	
Corporation of Ceylon	1,564,000
Ceylon Hotels Corporation	2,265,784
Kandy Textile Industries Limited.	1,917,900
Hotels Colombo (1963) Limited.	736,690

The total market value of these investments as at the same date was Rs. 233,917,853.

### ADVANCES

The Bank's total advances including Bills discounted was Rs. 704.4 million which represented a decrease of Rs. 30 million as compared with the previous year. Classifying purpose-wise advances for industry decreased by Rs. 5 million to Rs. 144 million. Advances for agriculture increased by Rs. 19 million to Rs. 72 million. Advances for consumption during the year totalled Rs. 86.5 million as against Rs. 85 million in 1972. This represented an increase of Rs. 1.5 million. Of the total advances by the commercial banking sector in Sri Lanka, this Bank's share was 31% as compared with 34% in the previous year.

### INVESTMENTS



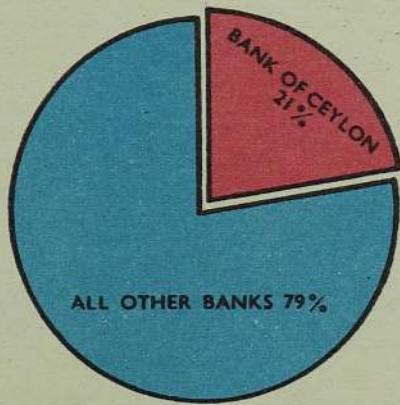
### ADVANCES



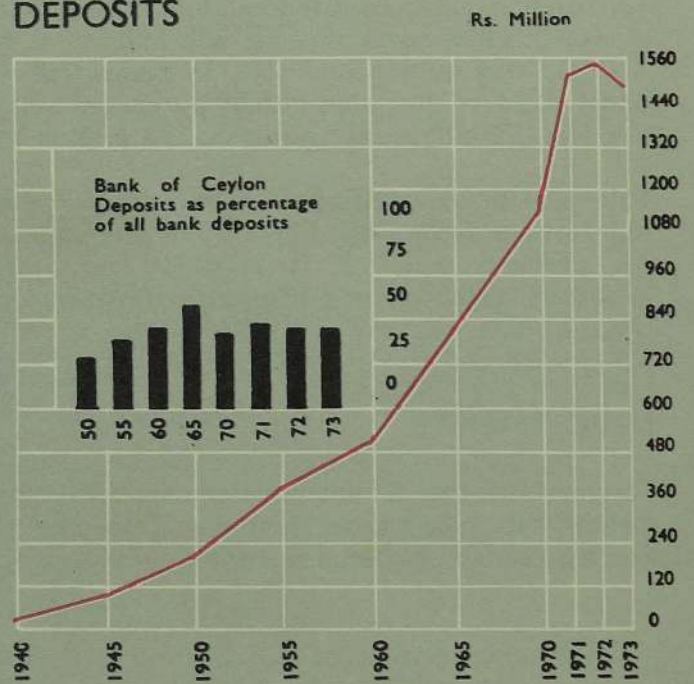
### ADVANCES TO INDUSTRY



### ADVANCES TO AGRICULTURE



### DEPOSITS



### DEPOSITS

Total deposits were Rs. 1,473 million as compared with Rs. 1,554 million in the previous year. This represented a decrease of Rs. 81 million. The Bank continued to maintain its predominant position holding 47% of all deposits in the commercial banking system.

### RESERVES

Reserves and Other Free General Reserves have continued to increase bringing the total capital and published reserves to Rs. 53.9 million in 1973 as compared with Rs. 51.9 million in 1972. The Bank's Free Inner Reserves were more than adequate to cover all contingencies including Bad and Doubtful Debts.

### PROFITS

Gross earnings in 1973 were Rs. 66.7 million. This was Rs. 10.5 million higher than in 1972. After making transfers to Inner Reserves and providing for depreciation, profits amounted to Rs. 22.25 million in this year as compared with Rs. 23.5 million in 1972.

The Profit & Loss Account disclosed that a sum of Rs. 17 million was provided for taxation.

An interim dividend of 7½% less tax together with a final dividend of 15% less tax on Ordinary Shares and 6% dividend less tax on Preference Shares were paid to the Government. As in 1972 the total gross dividends paid to Government in respect of 1973 amounted to Rs. 765,000.

As required by the Ministry of Finance in terms of Section 9 (2) (f) of the Finance Act No. 38 of 1971, a special contribution of Rs. 2,419,424 was paid to the Government, besides the Bank's contribution to Government revenue in the form of dividends and taxes.

## SUBSIDIARIES

### HOTELS COLOMBO (1963) LIMITED

The cost of the Bank's investment in this Company was Rs. 736,690. The final accounts of this Company in respect of the year ended 31st December 1972 recorded a loss of Rs. 238,515 as compared with a loss of Rs. 149,200 for the preceding year. The draft accounts of the company for the year ended 31st December 1973 showed a loss of Rs. 49,528.

### THE INDUSTRIAL & FINANCIAL CONSULTANTS (CEYLON) LIMITED

The liquidation of this Company which commenced in April 1971 is still in progress.

### BANK'S ACTIVITIES & POLICIES

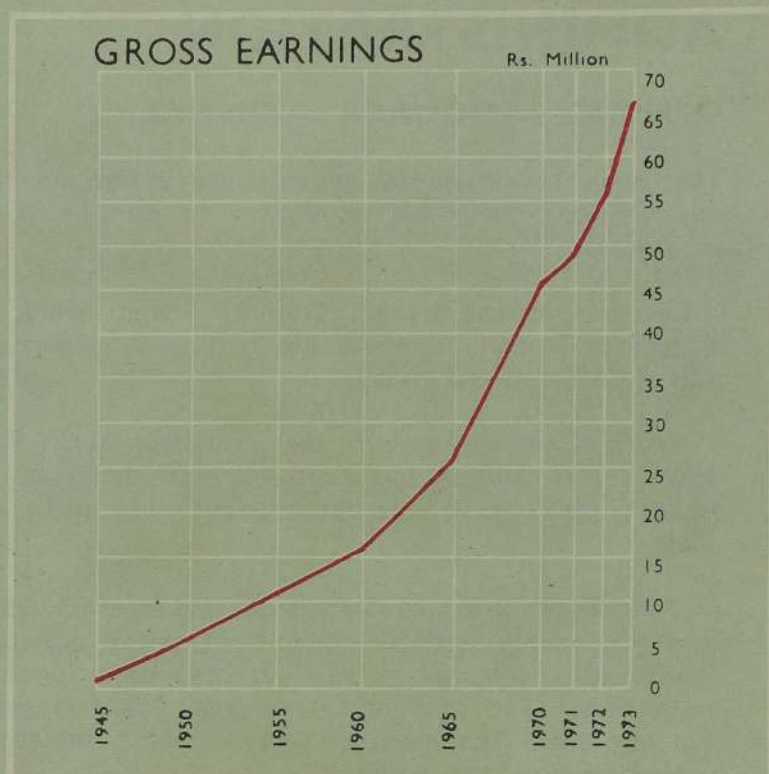
During the year under review 85 branches comprising 4 main branches, 79 Agricultural Service Centre branches and 2 Pay Offices were established. Hence at the end of 1973 the Bank had 172 branches. Branch expansion of this order has been unprecedented in the Bank's history. The number of regional offices was increased to seven to ensure effective decentralization and closer supervision of branches.

At the instance of the Minister of Finance the Board approved a scheme for the provision of finance to tenants for the purchase of houses tenanted by them and deemed to be surplus houses in the hands of landlords under the Ceiling on Housing Property Law No. 1 of 1973. Any constructive steps to implement this decision could not be taken during the year.

The recommendations of the Sub-Committee of the Board adopted in 1971 advocating the reorientation of development financing, the widening of economic activity particularly in rural areas such as agriculture, large and small industry and housing which would result in the creation of greater employment opportunities for the unemployed youths could not be implemented in a constructive manner during this year as well mainly because of the constraints imposed by lack of suitable trained staff.

With a view to assisting the new export drive increasing credit facilities were granted to finance minor agricultural, industrial, mineral and gem exports. Similarly the Bank continued to finance the construction and establishment of several tourist hotels with a view to assisting the development of tourism in Sri Lanka. The Bank continued to finance the State Corporations.

Amendments to the Bank of Ceylon Ordinance received further consideration of the Government.



# ADMINISTRATION

## OFFICIAL LANGUAGE — SINHALA

The Bank continued to provide instruction and held examinations to enable employees to gain proficiency in Sinhala.

Lectures at the Bank's Training School were conducted in Sinhala with the use of English wherever it was considered necessary.

Work in connection with the translation of the Bank's Manual into Sinhala has been taken in hand and the section relating to current accounts has been completed.

The change over to Sinhala in the internal working and in dealings with the public was slow due to the inadequate proficiency of Sinhala of a large number of employees. For the same reason it was not possible for any main branches to switch over completely to Sinhala during this year.

Of the branches established in 1973, 79 Agricultural Service Centre branches conducted their business in Sinhala. At the end of 1972, 18 branches and 22 Kachcheri branches conducted their business in Sinhala. In predominantly Tamil speaking areas 12 branches conducted business in Tamil.

## STAFF

During the year under review 291 employees were recruited whilst 96 persons ceased employment. The total number employed in all grades as at 31st December 1973 was 3195.

## HOUSING FACILITIES

During the year 226 housing loans were granted to members of the Staff. In the previous year the number of loans granted was 120. The total outstandings in respect of housing loans to staff as at 31st December 1973 was Rs. 5.9 million. The corresponding figure for 1972 was Rs. 3.8 million.

The improved achievements this year have been possible by the co-operation from all grades of staff and the Board records here its appreciation.

*Chairman*

L. N. L. PERERA

*Director*

L. O. DE SILVA



	1972	1973
	Rs.	Rs.
<b>NET PROFIT FOR THE YEAR</b>		
after making transfers to the credit of Inner Reserves, out of which provision for diminution in value of Assets has been made ...	22,250,444	23,497,045
Less Provision for taxation ...	17,050,000	18,393,119
	<u>5,200,444</u>	<u>5,103,926</u>
<i>Deduct :</i>		
Directors Fees ...	46,772	46,650
Auditors Remuneration—See Note 1 ...	153,138	50,000
	<u>199,910</u>	<u>96,650</u>
	<u>5,000,534</u>	<u>5,007,276</u>
<i>Add :</i>		
Balance brought forward from previous year ...	441,397	434,121
	<u>5,441,931</u>	<u>5,441,397</u>
<i>Deduct :</i>		
Transfer to other free general reserves ...	2,000,000	2,000,000
	<u>3,441,931</u>	<u>3,441,397</u>
<i>Dividends :</i>		
Interim Dividend of 7½%, (less tax on Ordinary Shares)—See Note 2 (i)	160,070	150,000
Final Dividend of 15%, (less tax, on Ordinary Shares)—See Note 2 (ii)	360,506	353,881
Dividend of 6%, (less tax, on Preference Shares)—See Note 2 (iii) ...	60,000	60,000
Payment to the Consolidated Fund—See Note 2 (iv) ...	2,419,424	2,436,119
	<u>3,000,000</u>	<u>3,000,000</u>
Balance Carried forward ...	<u>441,931</u>	<u>441,397</u>

### Notes :

1. The provision of Rs. 153,138 as Auditors Remuneration is made up as follows :	Rs.	Rs.	Rs.
(a) Audit fee for 1972 ...	101,138		
Less : Provision made in 1972 ...	50,000	51,138	
	<u>          </u>	<u>102,000</u>	
(b) Audit fee for 1973, estimated provision ...		102,000	
		<u>153,138</u>	<u>50,000</u>

			1973	1972
			Rs.	Rs.
<b>Notes : (Contd.)</b>				
2. (i)	Interim Dividend of 7½% on Ordinary Shares is made up of :			
	Dividends Received from Resident Companies during the first half year	...	30,210	
	Out of other profits	...	194,790	
	Less : 33⅓% tax	....	64,930	
			<u>129,860</u>	<u>160,070</u>
				150,000
(ii)	Final Dividend of 15% on Ordinary Shares is made up of :			
	Dividends Received from Resident Companies during the second half year		181,518	
	Out of other profits	268,482		
	Less : 33⅓% tax	89,494	178,988	360,506
				353,881
(iii)	Dividend of 6% on the Preference Shares			
	Less : 33⅓% tax	...	90,000	
		....	30,000	60,000
				60,000
(iv)	Additional payment to make up the total Contribution of Rs. 3 mln. to the Consolidated Fund levied on the Bank of Ceylon			
			<u>2,419,424</u>	<u>2,436,119</u>
			<u>3,000,000</u>	<u>3,000,000</u>

### CAPITAL AND RESERVES

#### SHARE CAPITAL

			Rs.	Rs.
<i>Authorised :</i>				
30,000—6% Non-Cum Preference Shares of Rs. 50/-	...	...	1,500,000	1,500,000
120,000—Ordinary Shares of Rs. 50/-	...	...	6,000,000	6,000,000
			<u>7,500,000</u>	<u>7,500,000</u>
 <i>Issued :</i>				
30,000—6% Non-Cum Preference Shares of Rs. 50/-	...	...	1,500,000	1,500,000
60,000—Ordinary Shares of Rs. 50/-	...	...	3,000,000	3,000,000
			<u>4,500,000</u>	<u>4,500,000</u>
PERMANENT RESERVE FUND	...	...	6,000,000	6,000,000
OTHER FREE GENERAL RESERVES	...	...	43,000,000	41,000,000
PROFIT AND LOSS ACCOUNT	...	...	441,931	441,397
			<u>53,941,931</u>	<u>51,941,397</u>

### CURRENT LIABILITIES AND OTHER ACCOUNTS

CURRENT SAVINGS AND FIXED DEPOSITS including Reserves for Contingencies, Provisions and Other Accounts	...	...	1,472,776,348	1,554,159,060
MONEY AT CALL AND SHORT NOTICE	...	...	—	
DIVIDENDS & SPECIAL CONTRIBUTION TO THE CONSOLIDATED FUND PAYABLE TO GOVERNMENT	...	...	2,839,930	2,850,000
			<u>1,529,558,209</u>	<u>1,608,950,457</u>

### ENGAGEMENTS ON BEHALF OF CONSTITUENTS

CREDITS, GUARANTEES, ACCEPTANCES AND OTHER ENGAGEMENTS ON BEHALF OF CONSTITUENTS, including Bills etc. for Collection	...	...	1,185,058,477	1,077,259,878
			<u>2,714,616,686</u>	<u>2,686,210,335</u>

L. N. L. PERERA  
Chairman

L. O. de SILVA  
Director

### CERTIFICATE OF THE AUDITOR-GENERAL

The accounts of the Bank of Ceylon for the year ended 31st December 1973 were audited under my direction in pursuance of Section 90 (1) of the Constitution of Sri Lanka read in conjunction with Section 13 (1) of the Finance Act, No. 38 of 1971.

Audit Office,  
Colombo 7.

22nd November, 1974

**CURRENT ASSETS**

1972

Rs.

BULLION, CASH IN HAND AND WITH BANKERS	...	...	488,595,709	329,997,443
MONEY AT CALL AND SHORT NOTICE	...	...	1,640,344	6,490,719
TREASURY BILLS	...	...	19,842,825	223,368,679
BILLS DISCOUNTED	...	...	35,349,578	85,128,214
INVESTMENTS				
Securities of, or Guaranteed by the Government of Ceylon and other Trustees Securities	...	...	288,098,003	290,946,405
ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS, including items in transit	...	...	669,044,055	648,532,726
			<b>1,502,570,514</b>	<u>1,584,464,186</u>

**FIXED ASSETS**

Investment in Development Finance Corporation	...	...	860,200	758,540
Investment in Hotels Colombo (1963) Limited	...	...	736,690	736,690
Investment in Ceylon Hotels Corporation	...	...	2,265,784	1,416,115
Investment in Industrial & Financial Consultants (Ceylon) Limited	...	...	300,000	300,000
Investment in Kandy Textiles Industries Limited	...	...	863,055	767,160
Bank's Premises, Furniture and Equipment and Motor Vehicles at cost less amounts written off	...	...	21,961,966	20,507,766
			<b>1,529,558,209</b>	<u>1,608,950,457</u>

**LIABILITIES OF CONSTITUENTS FOR ENGAGEMENTS**

## CREDITS, GUARANTEES, ACCEPTANCES AND OTHER ENGAGEMENTS,

including Bills etc. for Collection	...	...	1,185,058,477	1,077,259,878
			<b>2,714,616,686</b>	<u>2,686,210,335</u>

S. M. SIRIMANNE  
General Manager

J. M. DE SILVA  
Chief Accountant

My observations on these accounts which should be published in terms of Section 14-(2) (c) of the Finance Act, No. 38 of 1971 are contained in my report of even date addressed to the Chairman of the Bank.

(Sgd.) P. M. W. WIJAYASURIYA,  
Auditor-General.

# BANK OF CEYLON

Comparative figures (in Rupees)

	1964	1965	1966	1967
<b>Share Capital and Reserves</b>				
Authorised share capital ...	7,500,000	7,500,000	7,500,000	7,500,000
Issued share capital ...	4,500,000	4,500,000	4,500,000	4,500,000
Reserve funds including retained earnings ...	18,319,044	20,345,806	26,367,793	28,378,868
	22,819,044	24,845,806	30,867,793	32,878,868
<b>Current Liabilities and other Accounts</b>				
Current, savings and fixed deposits including reserves for contingencies provisions and other accounts ...	731,044,635	824,720,436	777,221,085	879,607,996
Dividends (less tax) ...	210,000	210,000	210,000	210,000
	731,254,635	824,930,436	777,431,085	879,817,996
<b>Engagements on Behalf of Constituents</b>				
Credits, guarantees, acceptances and other engagements ...	317,687,507	492,923,143	445,137,173	800,361,543
	1,071,761,186	1,342,699,385	1,253,436,051	1,713,058,407
<b>Current Assets</b>				
Bullion cash in hand and with Bankers ...	116,570,893	116,196,142	79,215,448	139,004,333
Money at call and short notice	4,466,667	10,052,216	57,550,000	8,573,024
Bills discounted ...	59,016,753	126,270,560	74,449,956	211,396,908
Investments including Treasury Bills ...	310,216,381	315,315,246	296,464,993	204,435,671
Advances to customers and other accounts including items in transit	245,991,520	262,652,076	280,797,517	328,742,095
	736,262,214	830,486,240	788,477,914	892,152,031
Trade Investments ...	2,500,690	2,752,690	3,390,990	4,283,251
Fixed Assets ...	15,310,775	16,537,312	16,429,974	16,261,582
<b>Liabilities of Constituents for Engagements</b>				
Credits, Guarantees, Acceptances and other Engagements ...	317,687,507	492,923,143	445,137,173	800,361,543
	1,071,761,186	1,342,699,385	1,253,436,051	1,713,058,407
<b>Number of Branches Including Pay Offices</b>				
	37	38	39	49

1968	1969	1970	1971	1972	1973
7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000
4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
33,390,946	38,409,973	43,422,342	45,434,121	47,441,397	49,441,931
37,890,946	42,909,973	47,922,342	49,934,121	51,941,397	53,941,931
897,159,652 210,000	981,670,468 260,000	1,109,973,097 310,000	1,226,630,262 1,100,000	1,554,159,060 2,850,000	1,472,776,348 2,839,930
897,369,652	981,930,468	1,110,283,097	1,227,730,262	1,557,009,060	1,475,616,278
724,173,445	970,759,652	646,484,380	771,380,427	1,077,259,878	1,185,058,477
1,659,434,043	1,995,600,093	1,804,689,819	2,049,044,810	2,686,210,335	2,714,616,686
156,071,916 14,645,581 95,928,936	143,444,449 7,487,465 174,241,080	206,494,372 — 21,486,802	221,030,628 379,842 25,558,162	329,997,443 6,490,719 85,128,214	488,595,709 1,640,344 35,349,578
234,435,619	195,840,096	412,716,784	430,149,381	514,315,084	307,940,828
413,095,530	478,085,637	491,207,700	575,182,124	648,532,726	669,044,055
914,177,582 3,733,582 17,349,434	999,098,727 6,217,928 19,523,786	1,131,905,658 5,934,705 20,365,076	1,252,300,137 4,489,535 20,874,711	1,584,464,186 3,978,505 20,507,766	1,502,570,514 5,025,729 21,961,966
724,173,445	970,759,652	646,484,380	771,380,427	1,077,259,878	1,185,058,477
1,659,434,043	1,995,600,093	1,804,689,819	2,049,044,810	2,686,210,335	2,714,616,686
49	57	61	83	86	172



## BANK OF CEYLON BRANCHES AT AGRICULTURAL SERVICE CENTRES

The Report for 1972 made reference to a directive of the Board to establish branches in the Agricultural Service Centres under the Agricultural Productivity Law No. 2 of 1972. This Law which is the logical sequel to the Land Reform Law No. 1 of 1972 which established the Land Reform Commission is "a Law to provide for maximum productivity through the proper use and management of agricultural land and the efficient management of agricultural crops and livestock; to provide for the establishment of Agricultural Productivity Committees and to provide for matters connected therewith or incidental thereto".

These Agricultural Service Centre buildings specially constructed for them, also accommodate under one roof a sub-branch of the Bank as well as certain offices of the Ministry of Agriculture, such as Agricultural Extension, Agricultural Marketing, Crop Insurance, Sales Room, Agricultural Services, Record Room and Agricultural Tribunal.

Accordingly 79 Agricultural Service Centres were established and 360 more such centres have been planned. The Bank of Ceylon can be justifiably proud that the approval of the Cabinet was granted to permit the Bank to participate in this project by opening branch offices at these Agricultural Service Centres. Such participation will afford the Bank of Ceylon an opportunity to make its contribution for the attainment of self-sufficiency by 1977, by providing in substantial part the credit support required for the necessary 65% increase in production over a period of 5 years.



SERVICE TO FARMERS AT AN A. S. C. BRANCH



ON THE FIELD DISCUSSIONS PRIOR TO GRANTING LOANS  
FOR THE CULTIVATION OF BUFFALOES



## TACKLING THE SUGAR SHORTAGE AT VILLAGE LEVEL

*The new source of institutional credit is provided by the Bank of Ceylon operating with self-assured competence through the newly setup network of Agricultural Service Centre Branches. It has also been recognised that one of the pre-requisites of lending is sound credit analysis and this is influenced by all the factors that will influence a borrower's ability and willingness to repay the debt. Any lending institution should therefore have sufficient material to make a proper assessment of the credit rating of the rural borrower. For this purpose provision has been made for the issue of a booklet, called the Agro Identity Card, by the Productivity Centre to each cultivator in the area, which would contain particulars necessary to establish the identity of the cultivator, information*



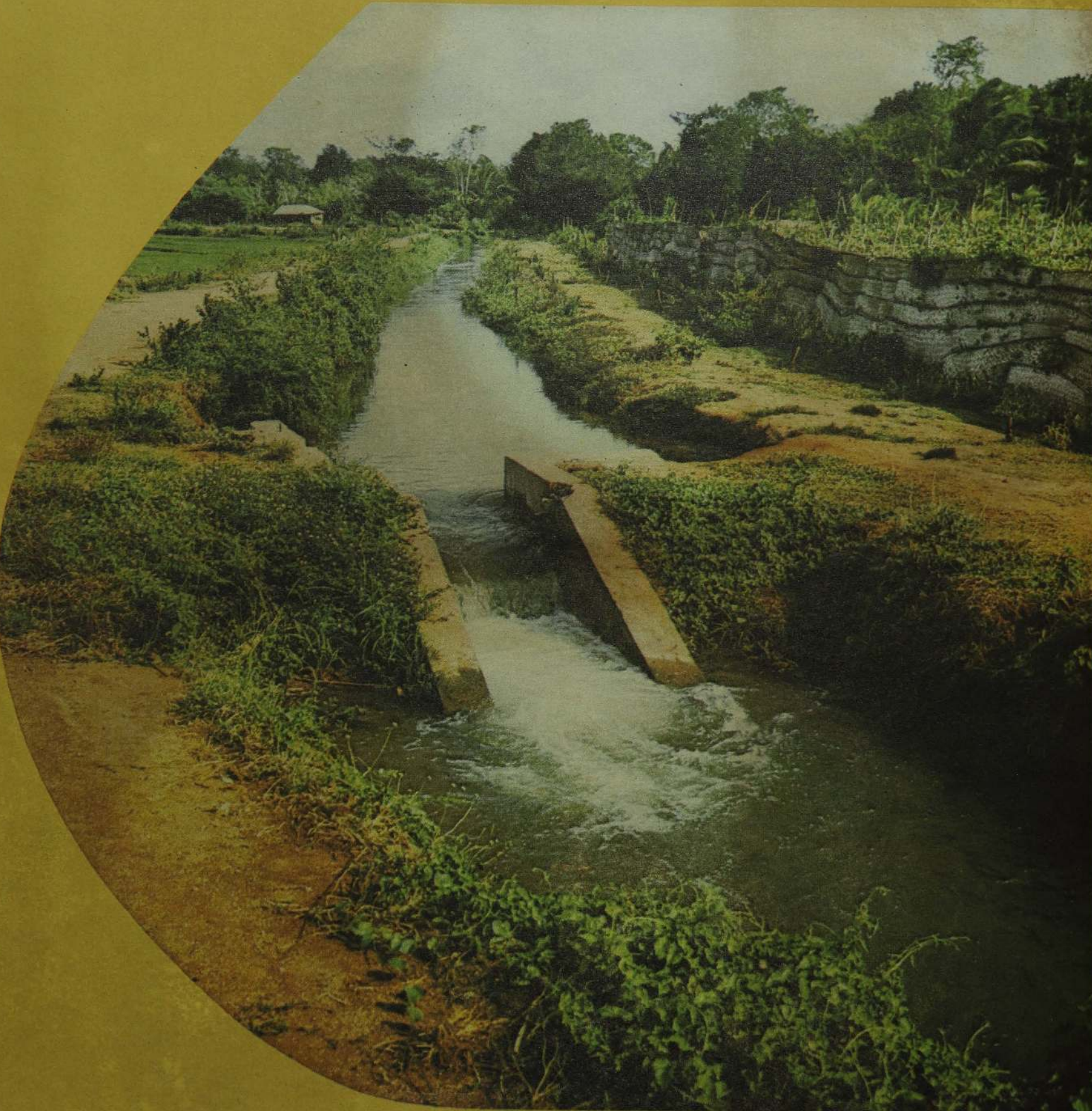
PASSION FRUIT PLANTATION IN BEARING



THE GOLDEN HEADS OF SORGHUM VARIETY ON OUR FOOD FRONT

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IRRIGATION CHANNEL TO SUPPLY LIFE GIVING WATER



regarding his assets both movable and immovable, a continuous record of the quality, quantity and value of the produce of his land and the extent to which he avails himself of Government subsidies in the cultivation of his crops. This information would be recorded and kept up-to-date by the Officers of the Agricultural Department attached to each productivity centre. Such a progress record of the cultivator would greatly assist a lending institution to make a proper assessment of his credit-worthiness and thereby effectively replace the village trader cum money lender. Moreover as the Bank will form an integral part of each productivity centre, the Bank officers at each centre, would have the opportunity of working with an appropriate government official and thereby facilitate the proper supervision of application of funds lent by the Bank and also their ultimate recovery.



MAT WEAVING

The Bank of Ceylon is confident that while it has accepted the role nominated for it for assisting the government in the attainment of the goal of self-sufficiency in Food, it has been totally mindful of its responsibilities as a commercial Bank and continues to subscribe to the accepted prudent banking principles when running its new branches at the Agricultural Service Centres.



BRASS WORK — BEAUTIFUL AND ENDURING



THE SHOWROOM OF THE STATE GEM CORPORATION ALWAYS WELCOMES VISITORS



# THE BANK IN THE FIELD OF TOURIST DEVELOPMENT



AN ATTRACTIVE RESORT COMPLEX HAS BEEN DEVELOPED ON THE SOUTH WEST COAST



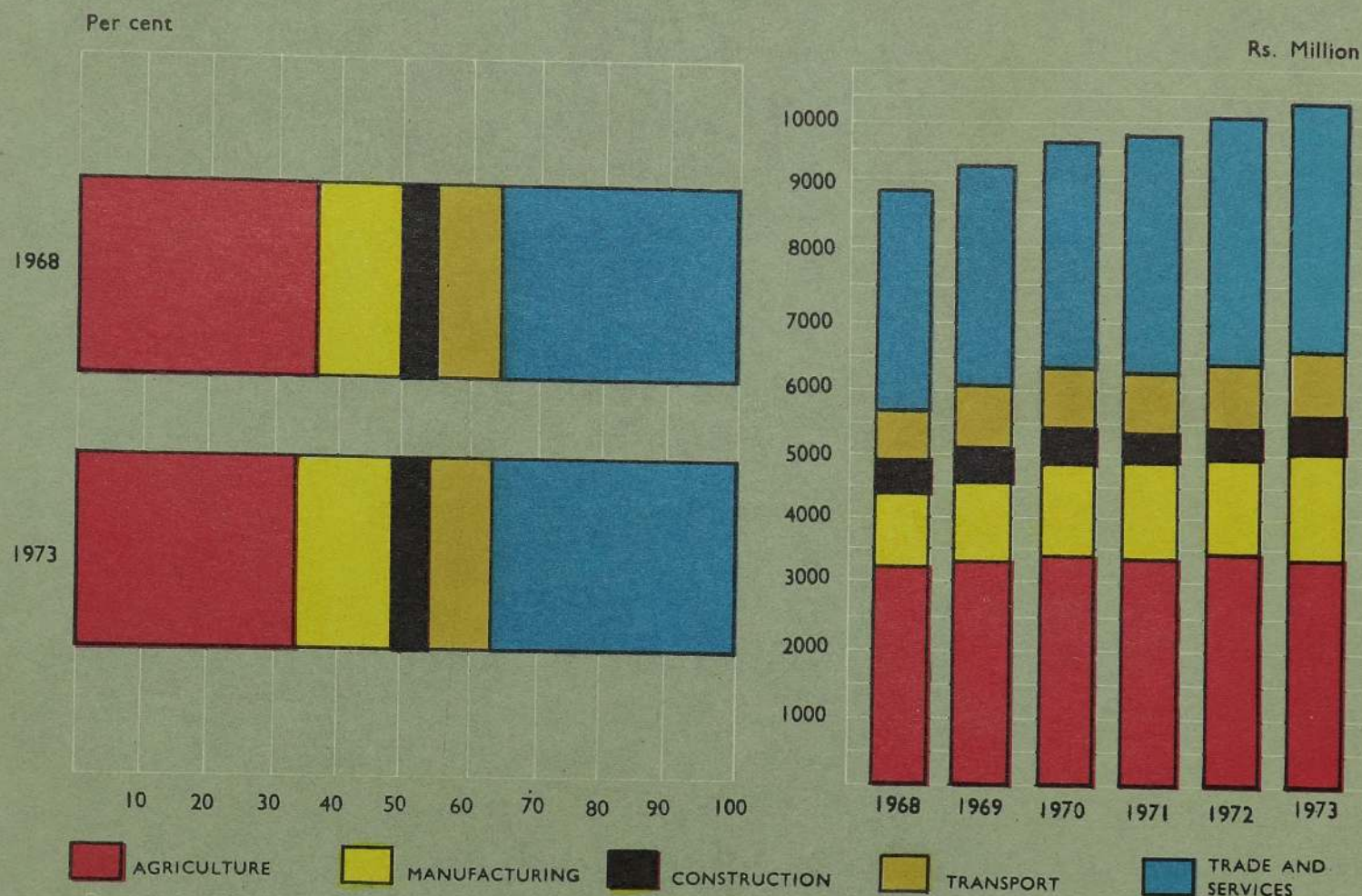
THE WIDE GOLDEN SANDY BEACHES PROVIDE AN ATTRACTIVE SETTING FOR BEACH RESORTS



# STRUCTURE AND GROWTH OF THE GROSS DOMESTIC PRODUCT BY SECTORS

(at constant 1959 factor cost prices)

CHART I



GROSS DOMESTIC PRODUCT, GROSS NATIONAL PRODUCT AND REAL NATIONAL INCOME — TABLE I  
(at constant 1959 factor cost prices)

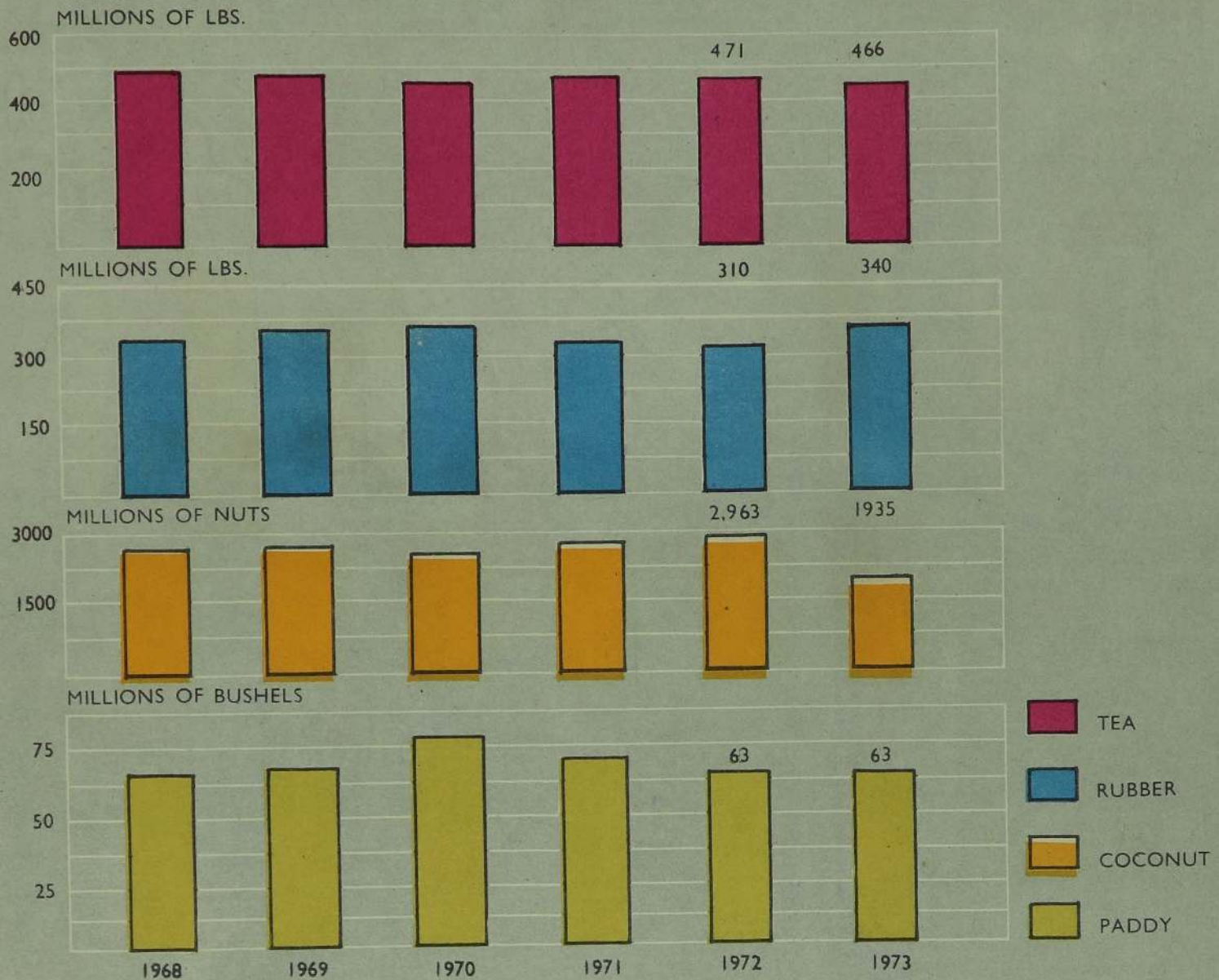
	1968	1969	1970	1971	1972	1973	Absolute Change	Percentage Change	
SECTOR-WISE ORIGIN									
	Amount (Rs. Mn)	% of GDP	Amounts (Rs. Mn)		Amount (Rs. Mn)	% of GDP	Amount (Rs. Mn)	% of GDP	
1. Agriculture, etc. (i)	3248	36	3276	3395	3375	3478	34	3388	33
2. Manufacturing, etc. (ii)	1206	14	1333	1421	1475	1499	15	1715	16
3. Construction	446	5	520	598	550	505	5	516	5
4. Transport, etc. (iii)	824	9	899	913	920	988	10	1019	9
5. Trade and Services (iv)	3176	36	3356	3453	3539	3631	36	3789	37
6. GROSS DOMESTIC PRODUCT (GDP)	8900	—	9384	9781	9856	10102	—	10426	—
7. Plus: Net factor income from abroad	-39	—	-68	-85	76	72	—	-44	—
8. GROSS NATIONAL PRODUCT (GNP)	8861	—	9316	9695	9779	10030	—	10383	—
9. Less: Terms of Trade effect	-784	—	-814	-903	-955	-970	—	-1170	—
10. REAL NATIONAL INCOME	8078	—	8503	8793	8824	9060	—	9212	—

Source: Central Bank of Ceylon

- (i) Includes forestry, hunting and fishing.  
 (ii) Includes mining, quarrying, electricity, gas, water and sanitary services.  
 (iii) Includes storage and communications.  
 (iv) Includes wholesale and retail trade; banking, insurance and real estate; ownership of dwellings; public administration and defence; and other miscellaneous services.

# AGRICULTURAL PRODUCTION—PRINCIPAL CROPS

CHART II



## AGRICULTURAL PRODUCTION—PRINCIPAL CROPS

TABLE II

	1968	1969	1970	1971	1972	1973	
<b>EXPORT CROPS</b>							
TEA	—Acreage (thousands)	597	597	598	597	598	599
	Output (million lbs.)	496	484	468	480	471	466
	Yield per acre	848	845	783	833	833	816
RUBBER	—Acreage (thousands)	569	570	569	568	567	565
	Output (million lbs.)	328	333	351	312	310	340
	Yield per acre	673	671	707	657	658	694
COCONUT	—Output (million nuts)	2,601	2,601	2,447	2,617	2,963	1,935
<b>DOMESTIC FOOD CROPS</b>							
PADDY	—Acreage (thousands) (i)	1,634	1,613	1,765	1,717	1,578	1,792
	Output (million bushels)	65	66	77	67	63	63
	Yield per acre (ii)	47	50	44	46	47	45

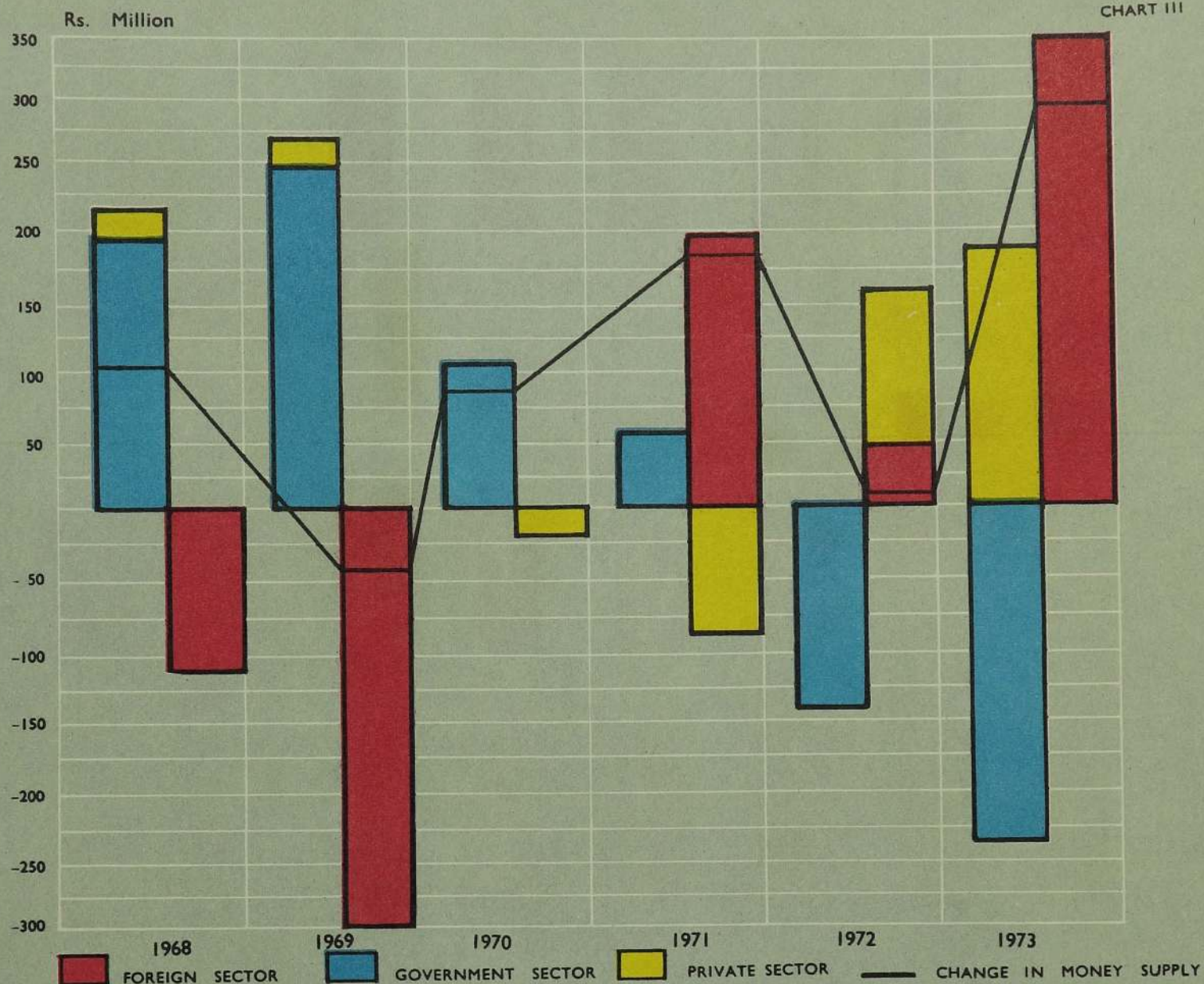
Source : Central Bank of Ceylon

(i) Gross acreage harvested.  
 (ii) Based on net acreage harvested.

# CHANGES IN FACTORS AFFECTING MONEY SUPPLY

1968 — 1973

CHART III



## CHANGES IN FACTORS AFFECTING MONEY SUPPLY

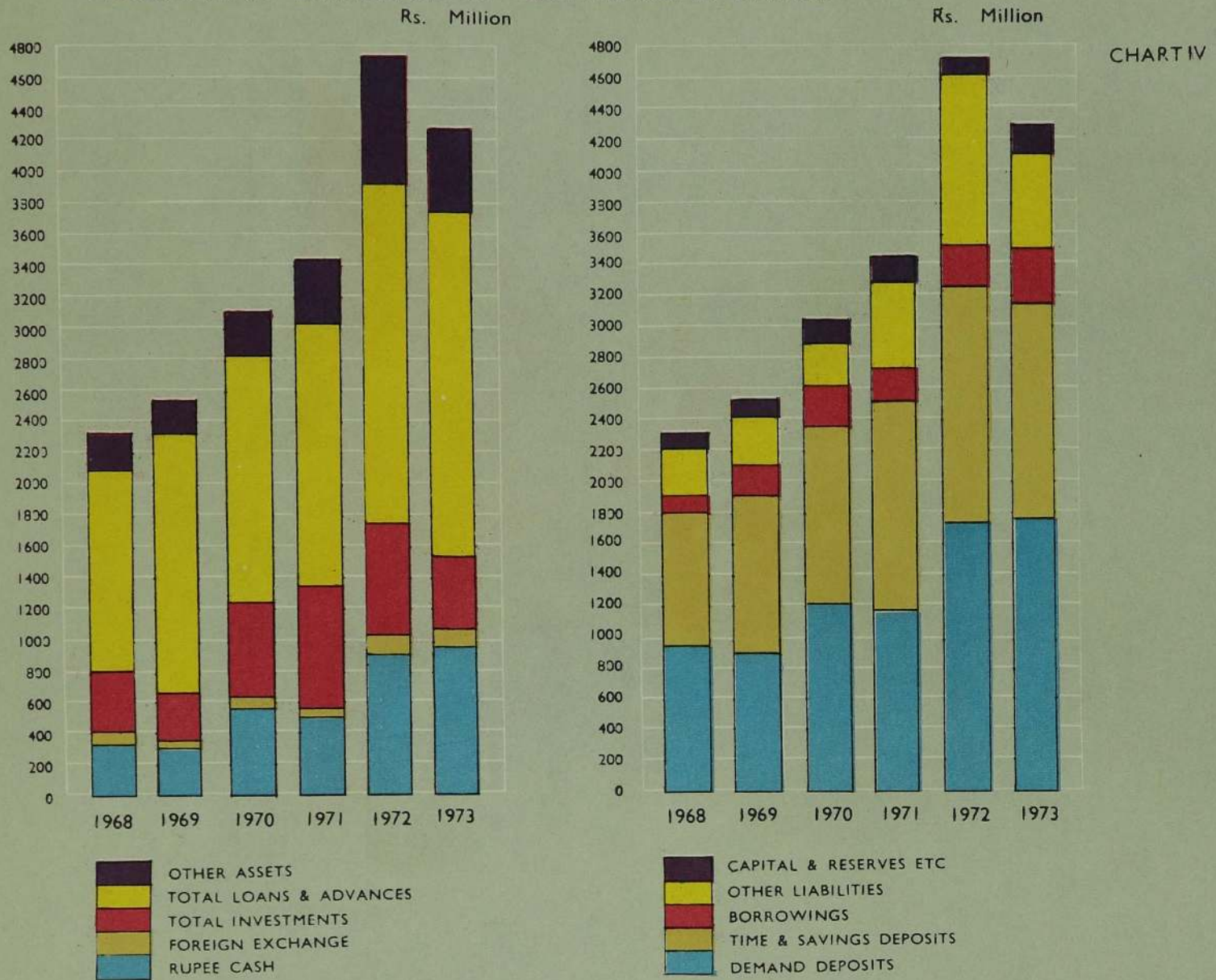
TABLE III

END OF PERIOD	1968	1969	1970	1971	Jan/Aug. 1972	1973
1. Money Supply	1913	1883	1967	2150	2156	2778
2. Change in Money Supply of which net effect of	106	-30	84	183	6	+297
(i) Government sector	190	248	105	54	-148	-235
(ii) Private sector	31	22	-19	-76	+111	+189
(iii) Foreign sector	-116	-300	-1	200	+43	+350
(iv) Others	—	—	-1	5	-1	-7

Notes :— (i) Net credit extension of banks to Government & Government Corporations (i.e. increase in net Government assets).  
 (ii) Net credit extension of banks to private sector (i.e. increase in net private assets).  
 (iii) Net receipts from foreign banking transactions (i.e. increase in net foreign assets).

Signs indicate effect on money supply.

# ASSETS AND LIABILITIES OF COMMERCIAL BANKS

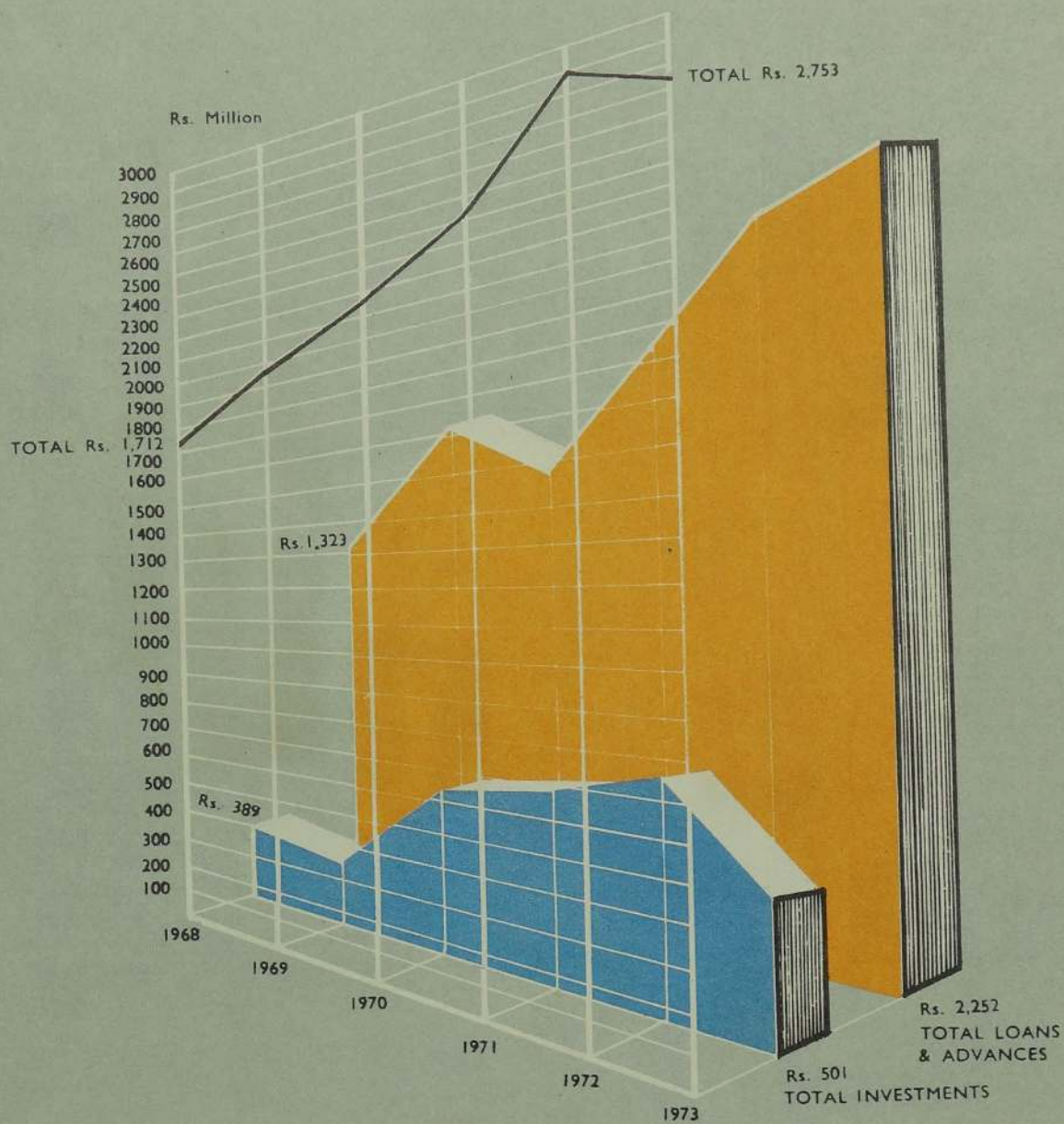


ASSETS AND LIABILITIES OF COMMERCIAL BANKS

TABLE IV (Rs. million)

END OF PERIOD	1968	1969	1970	1971	1972	1973
<b>ASSETS</b>						
1. Rupee Cash (i)	340	331	586	517	913	952
of which, Reserves (ii)	(248)	(258)	(371)	(377)	(488)	(604)
2. Foreign Exchange (iii)	77	52	44	69	128	95
3. Total Investments	389	308	644	694	741	498
of which, Treasury bills	(111)	(45)	(281)	(321)	(370)	(154)
4. Total Loans and Advances	1,323	1,660	1,548	1,766	2,159	2,252
5. Other assets	213	214	301	429	845	486
<b>LIABILITIES</b>						
6. Total Deposits,	1,809	1,917	2,394	2,516	3,277	3,169
of which Demand	(982)	(931)	(1,226)	(1,199)	(1,752)	(1,757)
Time and Savings	(826)	(986)	(1,167)	(1,317)	(1,525)	(1,411)
7. Borrowings	135	213	218	239	276	337
8. Other liabilities	302	323	381	566	1,071	609
9. Capital and Reserves, etc.	97	112	130	154	162	171
<b>SIGNIFICANT RATIOS</b>						
10. Liquid assets to Demand Deposits (iv)	68	70	69	77	69	69
11. Loans and Advances to Total Deposits	73	87	59	70	71	71

Notes :—(i) Rupee Cash consists of reserves due from domestic banks and cash items in process of collection. (ii) Reserves consist of cash on hand plus balances due from Central Bank. (iii) Foreign exchange consist of foreign currency on hand plus balances due from banks abroad. (iv) Liquid assets consist of reserves, foreign exchange and treasury bills.



CREDIT VOLUME—ALL COMMERCIAL BANKS

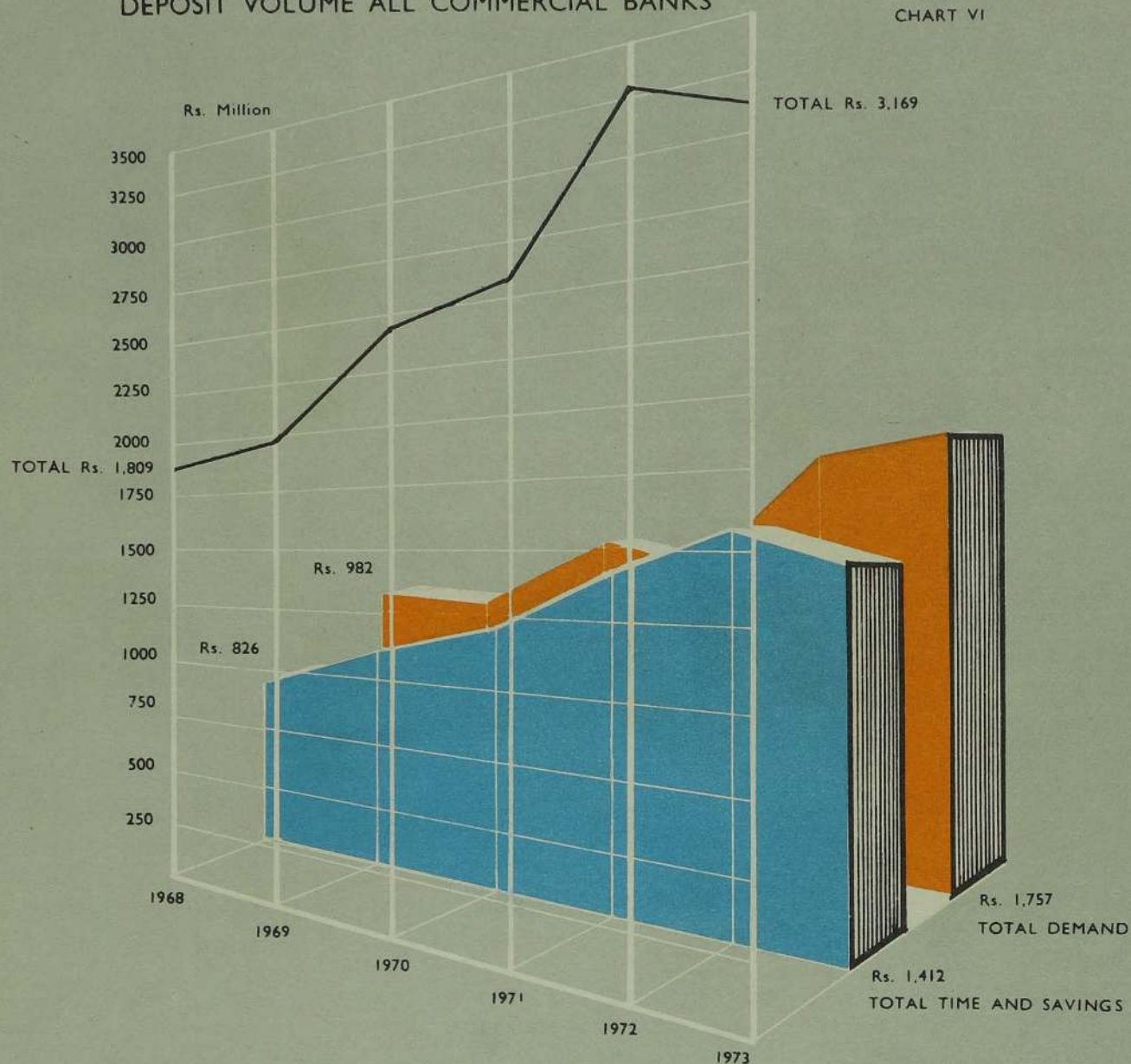
TABLE V

(Rs. million)

END OF PERIOD	1968	1969	1970	1971	1972	1973
1. TOTAL INVESTMENTS	389	308	644	694	741	501
2. of which, Treasury Bills	111	45	281	321	370	154
3. Government Securities	276	258	357	356	365	344
4. Other	3	5	5	5	5	3
5. TOTAL LOANS AND ADVANCES	1,323	1,660	1,548	1,766	2,159	2,252
6. of which, Bills Discounted	225	297	145	152	364	254
7. Loans and Overdrafts	1,099	1,363	1,403	1,613	1,795	1,998
8. TOTAL BANK CREDIT (1)+(5)	1,712	1,968	2,192	2,460	2,900	2,753
9. RATIO OF TOTAL BANK CREDIT TO TOTAL DEPOSITS	95	103	92	98	90	87

# DEPOSIT VOLUME ALL COMMERCIAL BANKS

CHART VI



## DEPOSIT VOLUME—ALL COMMERCIAL BANKS

TABLE VI

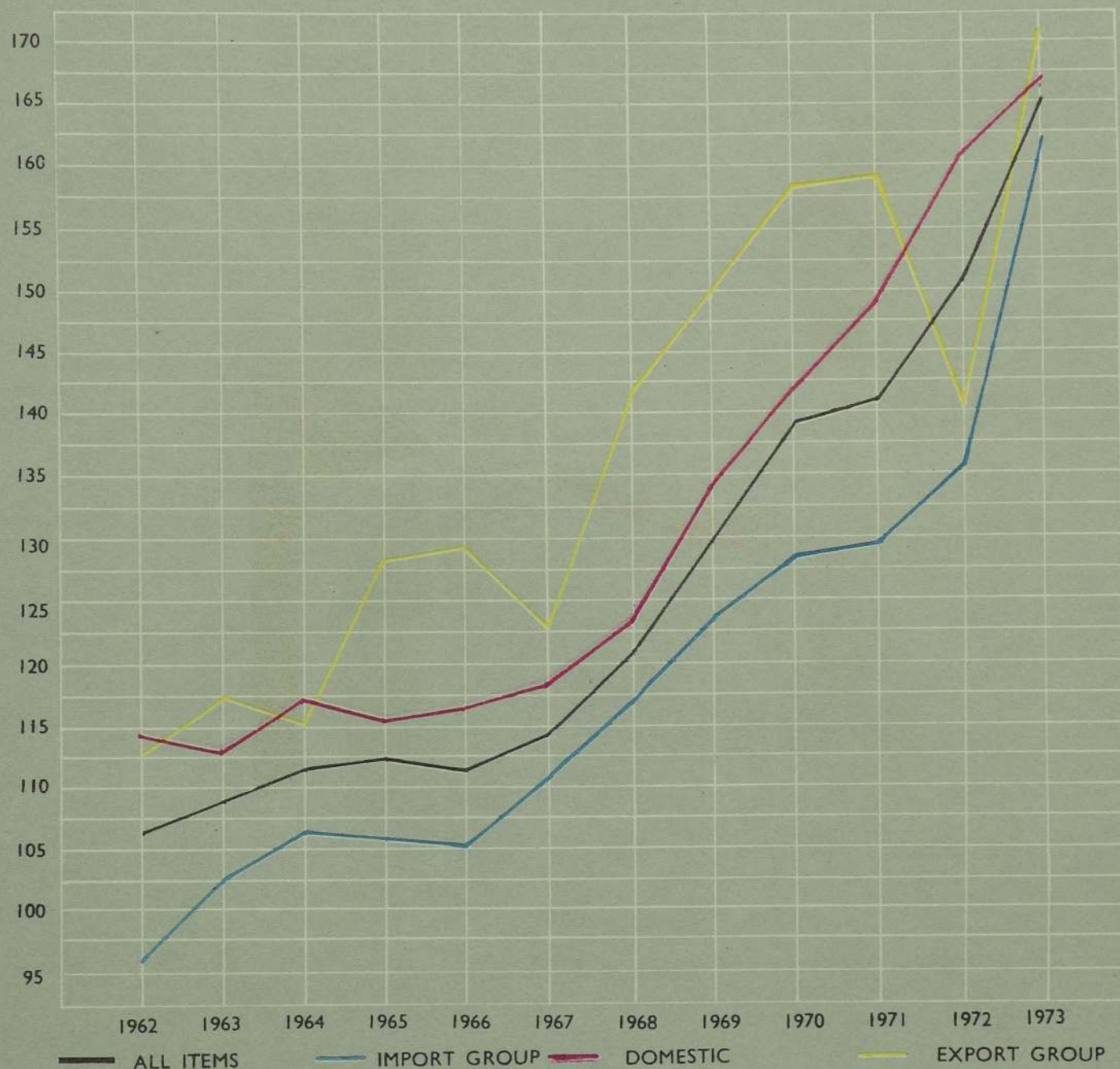
(Rs. million)

END OF PERIOD	1968	1969	1970	1971	1972	1973
1. TOTAL DEMAND DEPOSITS	982	931	1225	1199	1752	1757
2. of which, Private (i)	845	800	1025	1032	1261	1333
3. Government	137	131	200	167	482	410
4. TOTAL TIME AND SAVINGS DEPOSITS	826	986	1169	1317	1525	1412
5. of which, Private (i)	811	970	1148	1286	1493	1376
6. Government	15	16	21	31	32	36
7. TOTAL—ALL DEPOSITS	1809	1917	2394	2516	3277	3169
8. RATIO OF TIME AND SAVINGS DEPOSITS TO TOTAL DEPOSITS	46	51	49	52	47	45

(i) includes deposits of Government Corporations.

# CONSUMER PRICES (Base 1952—100)

CHART VII



## COLOMBO CONSUMER'S PRICE INDEX (Base 1952—100)

TABLE VII

### COST OF LIVING (i)

	All Items	Domestic group (ii)	Import group (iii)	Export group (iv)
1967	114.8	117.1	111.2	123.9
1968	121.5	123.2	117.3	142.4
1969	130.5	134.3	123.5	148.2
1970	138.2	142.9	129.3	157.3
1971	141.9	148.9	129.7	157.9
1972	150.8	161.6	136.1	140.6
1973	165.4	167.8	162.5	171.9

(i) All annual figures are averages of monthly figures.

(ii) Comprises items of domestic origin. Weight 60 per cent from 1968; previously 51 per cent.

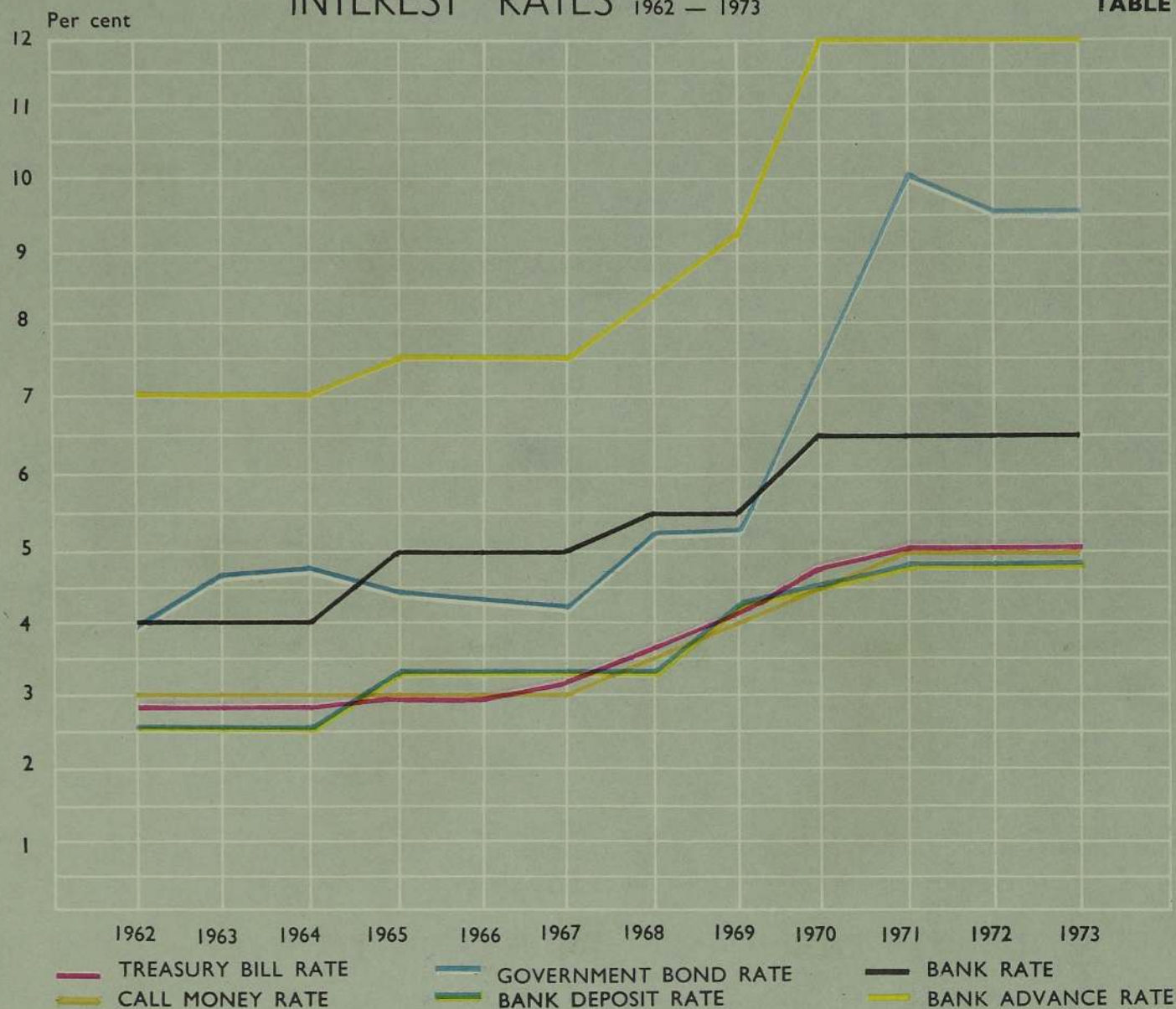
(iii) Comprises imported goods. Weight 35 per cent from 1968; previously 44 per cent.

(iv) Comprises domestic goods mainly exported such as tea and coconut. Weight 5 per cent.

Source:  
Department of Census and  
Statistics and Central Bank of  
Ceylon

# INTEREST RATES 1962 — 1973

**TABLE VIII**



**INTEREST RATES (1962-1973)**

**TABLE VIII**

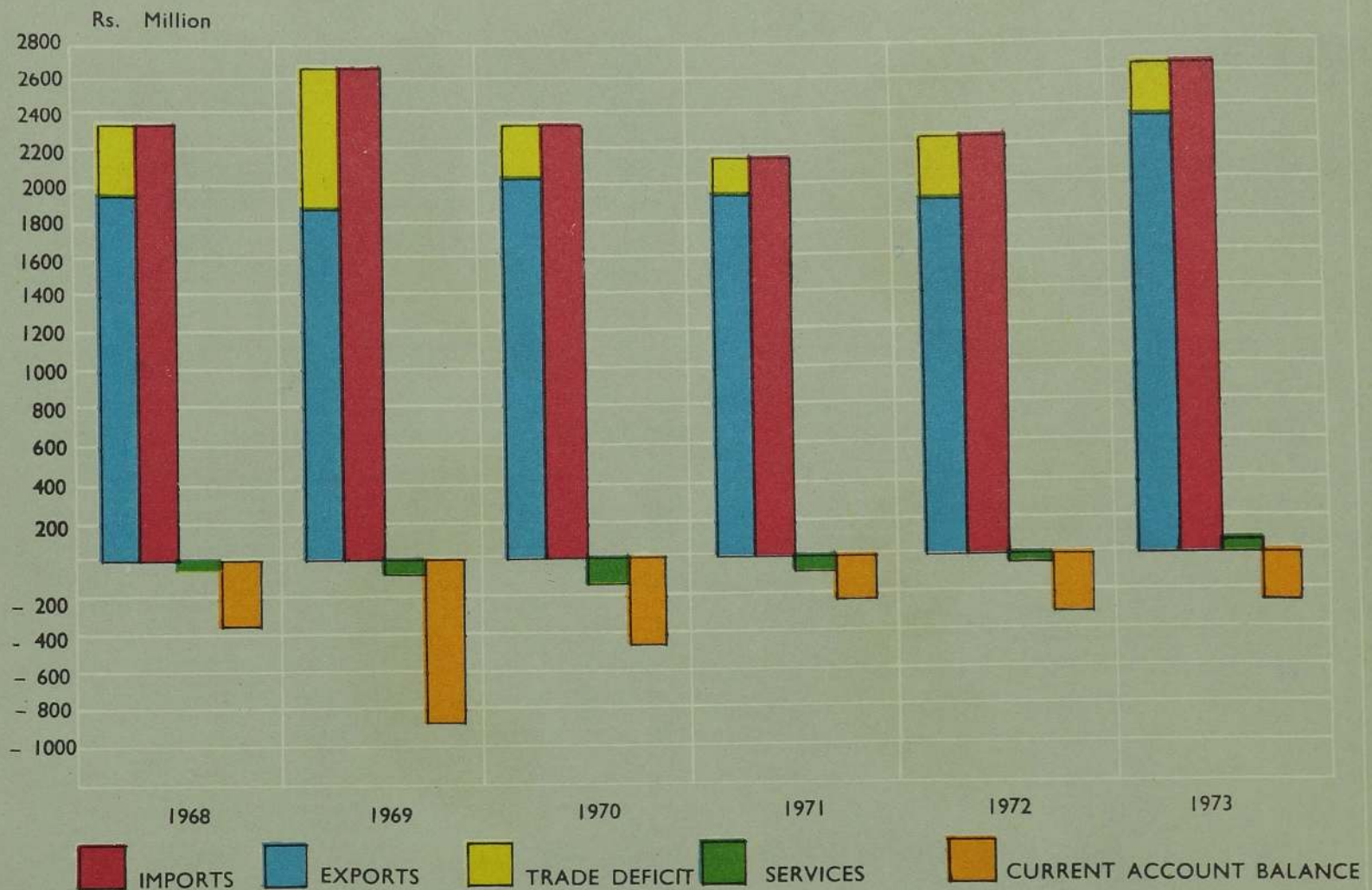
END OF PERIOD	(i) Treasury Bill rate	(ii) Govt. bond rate	(iii) Bank rate	(iv) Call money rate	(v) Bank deposit rate	(vi) Bank advances rate
1962	2.80	3.99	4	3	2½	7
1963	2.80	4.52	4	3	2½	7
1964	2.80	4.53	4	3	2½	7
1965	3.00	4.45	5	3	3¼	7½
1966	3.00	4.40	5	3	3¼	7½
1967	3.20	4.35	5	3	3¼	7½
1968	3.64	5.10	5½	3½	3¼	8¼
1969	4.10	5.34	5½	4	4¼	9¼
1970	4.76	7.58	6½	4½	4½	12
1971	5.00	10.00	6½	5	4¾	12
1972	5.00	9.50	6½	5	4¾	12
1973	5.00	9.50	6½	5	4¾	12

- Notes :**— (i) Weighted average tender rate for 3-month Government Treasury bills.  
(ii) Coupon rate on long-dated Government bonds.  
(iii) Central Bank rate on advances to commercial banks.  
(iv) Rate for inter-bank call loans.  
(v) Maximum rate paid by major banks on 3, 6 and 12 month fixed deposits of Rs. 25,000/- and over.  
(vi) Maximum rate charged by commercial banks for loans secured by stock in trade.

Source : Central Bank of Ceylon

# SRI LANKA'S BALANCE OF PAYMENTS 1968 — 1973

CHART IX



SRI LANKA'S BALANCE OF PAYMENTS (1968 — 1973)

TABLE IX

(Rs. million)

	1968	1969	1970	1971	1972	1973
1. Exports, f.o.b.	1976	1909	2016	1964	1963	2346
2. Imports, c.i.f.	-2356	-2653	-2336	-2197	-2265	-2644
3. TRADE BALANCE	- 380	- 746	- 316	- 233	- 302	- 298
4. Services Account (i)	- 3	- 97	- 143	- 71	- 49	+ 57
5. CURRENT ACCOUNT BALANCE	- 383	- 843	- 468	- 209	- 351	- 241
6. CAPITAL ACCOUNT BALANCE	- 266	- 392	- 656	- 1049	- 952	- 1277
7. TOTAL EXTERNAL RESOURCE GAP	- 649	-1,235	-1,124	- 1,353	-1,303	- 1,518

(i) Including grants

Source : Central Bank of Ceylon

# EXPORTS BY MAIN COMMODITIES-PERCENTAGE DISTRIBUTION

CHART X



EXPORTS BY VOLUME AND VALUE

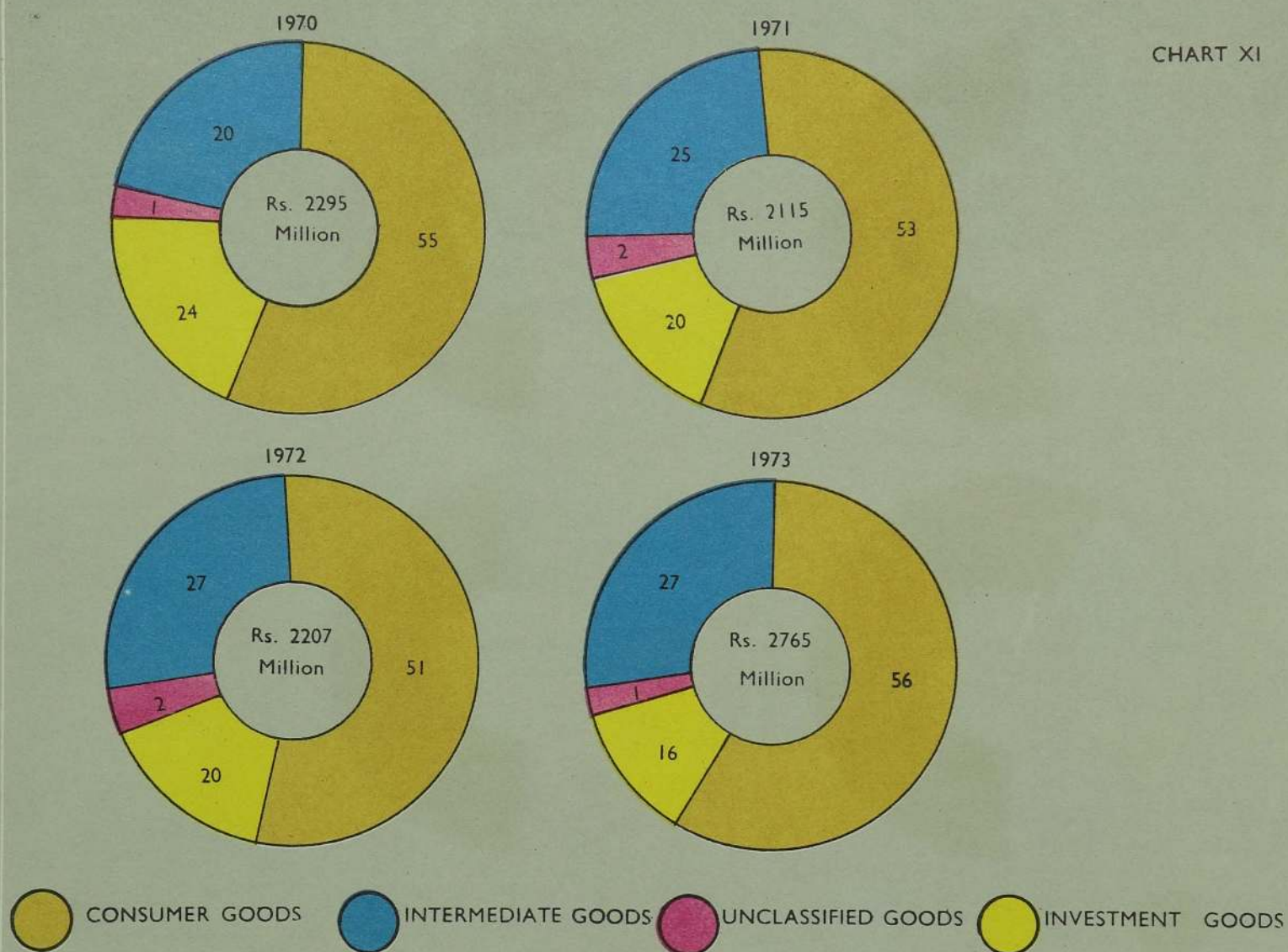
TABLE X

	1968	1969	1970	1971	1972	1973
<b>TEA</b>						
Export Volume (million lbs.)	460	445	460	443	416	454
Unit Value (Rs. per lb., f.o.b.)	2.52	2.39	2.43	2.56	2.77	2.77
Export Value (Rs. million)	1,162	1,062	1,120	1,145	1,152	1,261
<b>RUBBER</b>						
Export Volume (million lbs.)	328	315	354	285	286	354
Unit Value (Rs. per lb., f.o.b.)	1.01	1.37	1.24	1.08	0.93	1.67
Export Value (Rs. million)	331	431	440	309	265	592
<b>COCONUT</b>						
Export Volume (million nuts equiv.)	1,096	896	874	1,010	1,258	422
Unit Value (i)	0.30	0.25	0.27	.27	.21	.30
Export Value (Rs. million)	331	221	237	276	266	145
<b>OTHER DOMESTIC EXPORTS</b> (Rs. million)	149	157	195	198	238	487
<b>TOTAL—DOMESTIC EXPORTS</b>	1,976	1,875	1,995	1,930	1,923	2,596
<b>RE-EXPORTS</b>	60	41	38	17	18	21
<b>TOTAL—ALL EXPORTS</b>	2,035	1,916	2,033	1,947	1,942	2,617

Source : Ceylon Customs Returns

# IMPORTS BY COMMODITY GROUPS—PERCENTAGE DISTRIBUTION

CHART XI



## IMPORTS BY COMMODITY GROUPS

TABLE XI  
(Rs. million)

	1968	1969	1970	1971	1972	1973
1. Consumer goods	1,147	1,174	1,276	1,134	1,126	1,555
(a) Food & Drink	989	932	1,051	916	974	1,379
(i) Rice	341	211	353	188	142	322
(ii) Flour	250	230	225	212	218	458
(iii) Sugar (refined)	97	142	152	242	255	334
(b) Textiles (including clothing)	77	122	124	103	48	55
(c) Other	81	120	101	115	104	120
2. Intermediate Goods	629	592	451	526	607	733
3. Investment Goods	383	700	546	419	438	452
4. Unclassified Imports	14	33	22	43	36	25
5. TOTAL—ALL IMPORTS	2,173	2,499	2,295	2,115	2,207	2,765

Source : Ceylon Customs Returns

# Bank of Ceylon

**registered office**

41 Bristol Street,  
Colombo 1.

**central office**

Bank of Ceylon Building,  
(West Block), York Street,  
Colombo 1.

**central office departments**

Accounts  
Agriculture & Small Industries  
Central Collection  
Business Intelligence  
Credit Investigation  
Credit Supervision  
Industrial Credits  
Inspection  
Legal  
Loans  
Premises  
Recoveries  
Secretary's  
Superannuation  
Staff  
Supplies

**main offices and branches**

YORK STREET BRANCH  
and  
FOREIGN DEPARTMENT  
at  
Bank of Ceylon Building,  
York Street, Colombo 1.

CITY OFFICE  
41 Bristol Street  
Colombo 1.

SAVINGS DEPARTMENT  
Gaffoor Building,  
35, Main Street, Colombo 1.

SAFE DEPOSIT VAULT  
at  
York Street Branch,

**bureau de change**

Prince Street,  
Colombo 1.

**london office**

48-54, Moorgate,  
London E. C. 2.

Telex. 883587

Tel. 606 5597 - 9

**other branches in colombo**

Bambalapitiya  
Borella  
Fifth City  
Hultsdorp  
Kollupitiya  
Maradana  
Pettah (Gaswork St.)  
Pettah (Main Street)  
(Prince Street)  
Union Place  
Wellawatte

## other branches

AMBALANGODA  
AMPARAI  
ANURADHAPURA  
BADULLA  
BATTICALOA  
BENTOTA  
BERUWALA  
CHILAW  
CHUNNAKAM  
DEHIWELA  
EHELIYAGODA  
GALLE  
GALLE BAZAAR  
GAMPAHA  
HAMBANTOTA  
HAPUTALE  
HATTON  
HORANA  
JA-ELA  
JAFFNA  
KADAWATA  
KALUTARA  
KANDY  
KAYTS  
KEGALLE  
KILINOCHCHI  
KULIYAPITIYA  
KURUNEGALA  
MAHARAGAMA  
MANNAR  
MATALE  
MATARA  
MIRIGAMA  
MONERAGALA  
MORATUWA (RAWATAWATTE)  
MORATUWA (IDAMA)  
NATTANDIYA  
NEGOMBO  
NUGEGODA  
NUWARA ELIYA  
ORUWALA  
PANADURA  
PELIYAGODA  
POINT PEDRO  
POLONNARUWA  
PUTTALAM  
RATNAPURA  
TANGALLA  
TRINCOMALEE  
VAVUNIYA

## kachcheri branches

AMPARAI  
ANURADHAPURA  
BADULLA  
BATTICALOA  
COLOMBO  
GALLE  
HAMBANTOTA  
JAFFNA  
KALUTARA  
KANDY  
KEGALLE  
KURUNEGALA  
MANNAR  
MATARA  
MATALE  
MONERAGALA  
NUWARA ELIYA  
POLONNARUWA  
PUTTALAM  
RATNAPURA  
TRINCOMALEE  
VAVUNIYA

## agricultural service centre branches

171 AGRICULTURAL SERVICE CENTRE  
BRANCHES

## pay offices

COLOMBO PASSENGER TERMINAL  
TALAIMANNAR PIER  
KANKESANTURAI AIRPORT  
BANDARANAIKE INTERNATIONAL AIRPORT  
BUREAU DE CHANGE, PRINCE STREET  
BANDARANAIKE MEMORIAL INTERNATIONAL CONFERENCE HALL  
HOTEL (CEYLON) INTERCONTINENTAL  
UNIVERSITY CAMPUS (PERADENIYA)



