



**PEOPLE'S  
BANK**

# **FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31ST MARCH**

# **2019**

**FITCH RATING AA+ (LKA)**

**INCOME STATEMENT**  
**FOR THE PERIOD ENDED 31ST MARCH**

	BANK			GROUP		
	2019 (Rs. '000) (Audited)	2018 (Rs. '000) (Unaudited)	Change %	2019 (Rs. '000) (Unaudited)	2018 (Rs. '000) (Unaudited)	Change %
<b>Gross Income</b>	<b>47,465,828</b>	<b>41,409,947</b>	14.6	<b>57,079,739</b>	<b>50,151,490</b>	13.8
Interest income	44,672,527	38,881,100	14.9	52,826,959	45,933,635	15.0
Interest expenses	(30,456,196)	(24,843,160)	22.6	(34,279,817)	(28,199,878)	21.6
<b>Net Interest Income</b>	<b>14,216,331</b>	<b>14,037,940</b>	1.3	<b>18,547,142</b>	<b>17,733,757</b>	4.6
Fee and commission income	1,665,262	1,633,494	1.9	1,924,862	1,836,353	4.8
Fee and commission expenses	(106,307)	(74,080)	43.5	(106,307)	(74,080)	43.5
<b>Net Fee and Commission Income</b>	<b>1,558,955</b>	<b>1,559,414</b>	-	<b>1,818,555</b>	<b>1,762,273</b>	3.2
Net gain / (loss) from trading	784,776	623,806	25.8	746,940	631,716	18.2
Other operating income (net)	343,263	271,547	26.4	1,580,978	1,749,786	(9.6)
<b>Total Operating Income</b>	<b>16,903,325</b>	<b>16,492,707</b>	2.5	<b>22,693,615</b>	<b>21,877,532</b>	3.7
Impairment Charge	(1,773,144)	(1,345,442)	31.8	(2,683,708)	(1,917,697)	39.9
Other Financial Assets	(367,287)	-		(367,287)	-	
Non Financial Assets	-	-		(465,603)	(187,860)	
Loans & Receivables to Customers	(1,405,857)	(1,345,442)		(1,850,818)	(1,729,837)	
Individual Impairment	<b>(1,503,065)</b>	<b>(216,003)</b>		<b>(1,582,815)</b>	<b>(1,547,969)</b>	
Collective Impairment	<b>97,208</b>	<b>(1,129,439)</b>		<b>(268,003)</b>	<b>(181,868)</b>	
<b>Net Operating Income</b>	<b>15,130,181</b>	<b>15,147,265</b>	(0.1)	<b>20,009,907</b>	<b>19,959,835</b>	0.3
Personnel Expenses	(4,944,705)	(4,460,272)	10.9	(5,971,070)	(5,381,556)	11.0
Depreciation and Amortisation	(453,176)	(338,568)	33.9	(582,510)	(416,192)	40.0
Other expenses	(3,323,018)	(2,653,772)	25.2	(4,758,572)	(3,625,510)	31.3
<b>Operating Profit before Value Added Tax (VAT) &amp; Nation Building Tax (NBT) &amp; Debt Repayment Levy (DRL)</b>	<b>6,409,282</b>	<b>7,694,653</b>	(16.7)	<b>8,697,755</b>	<b>10,536,577</b>	(17.5)
VAT & NBT & DRL on Financial Services	(2,207,197)	(1,743,646)	26.6	(2,973,115)	(2,201,574)	35.0
<b>Profit before Tax</b>	<b>4,202,085</b>	<b>5,951,007</b>	(29.4)	<b>5,724,640</b>	<b>8,335,003</b>	(31.3)
Income tax expenses	(1,607,584)	(2,697,152)	(40.4)	(2,518,807)	(3,296,294)	(23.6)
<b>Profit for the period</b>	<b>2,594,501</b>	<b>3,253,855</b>	(20.3)	<b>3,205,833</b>	<b>5,038,709</b>	(36.4)
<b>Profit Attributable to :</b>						
Equity Holders of the Bank	2,594,501	3,253,855	(20.3)	3,052,349	4,478,579	(31.8)
Non-controlling interests	-	-		153,484	560,130	(72.6)
	<b>2,594,501</b>	<b>3,253,855</b>	(20.3)	<b>3,205,833</b>	<b>5,038,709</b>	(36.4)
<b>Earnings per Share on Profit</b>						
Basic earnings per ordinary share (Rs.)	2,595	3,254	(20.3)	3,052	4,479	(31.8)
Diluted earnings per ordinary share (Rs.)	11	13	(20.3)	13	18	(31.8)

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 31ST MARCH**

	BANK		GROUP	
	2019 (Rs. '000) (Audited)	2018 (Rs. '000) (Unaudited)	2019 (Rs. '000) (Unaudited)	2018 (Rs. '000) (Unaudited)
<b>Profit for the Period</b>	<b>2,594,501</b>	<b>3,253,855</b>	<b>3,205,833</b>	<b>5,038,709</b>
<b>Other comprehensive income that will not be reclassified to the income statement</b>				
Net Gains/( Losses) on equity instruments at fair value through OCI	(19,690)	-	(19,690)	-
Net Actuarial Gains and Losses on Defined Benefit Plans	-	-	(20,136)	(25,301)
Deferred Tax Effect on Defined Benefit Plans	-	-	4,956	6,595
Gains on Revaluation of Land and Buildings	-	-	-	277,822
Deferred Tax Effect on Revaluation of Investment Property	-	-	(83,385)	-
<b>Other comprehensive income that will be reclassified to the income statement</b>				
Net Gains/( Losses) on Re-Measuring Available-for-Sale Financial Assets	-	143,034	-	152,149
Net Gains/( Losses) [Including change in ECL] on debt instruments at fair value through OCI	265,648	-	265,648	-
Net Gains/(Losses) on translating the financial statements of foreign operation	-	-	(101,191)	11,663
<b>Other Comprehensive Income for the Period, Net of Taxes</b>	<b>245,958</b>	<b>143,034</b>	<b>46,202</b>	<b>422,928</b>
<b>Total Comprehensive Income for the Period</b>	<b>2,840,459</b>	<b>3,396,889</b>	<b>3,252,035</b>	<b>5,461,637</b>
<b>Attributable to :</b>				
Equity Holders of the Bank	2,840,459	3,396,889	3,148,695	4,900,987
Non-Controlling Interests	-	-	103,340	560,650
	<b>2,840,459</b>	<b>3,396,889</b>	<b>3,252,035</b>	<b>5,461,637</b>

## STATEMENT OF FINANCIAL POSITION

**AS AT**

	<b>BANK</b>			<b>GROUP</b>		
	31.03.2019 (Rs.'000) (Unaudited)	31.12.2018 (Rs. '000) (Audited)	Change %	31.03.2019 (Rs.'000) (Unaudited)	31.12.2018 (Rs. '000) (Audited)	Change %
<b>Assets</b>						
Cash and Cash Equivalents	60,597,076	57,879,933	4.7	61,689,516	58,835,090	4.9
Balances with Central Bank of Sri Lanka	39,312,055	51,615,796	(23.8)	39,312,055	51,615,796	(23.8)
Placements with Banks	8,436,133	4,350,726	93.9	12,351,212	9,096,252	35.8
Derivative Financial Instruments	1,001,024	1,163,384	(14.0)	1,001,024	1,163,384	(14.0)
Financial Assets - At Fair Value through Profit or Loss	108,196,547	54,052,435	100.2	108,397,851	54,300,238	99.6
Financial Assets - At Amortised Cost						
Loans and Receivables to Banks	58,151,577	32,167,421	80.8	58,629,876	32,551,657	80.1
Loans and Receivables to Other Customers	1,217,800,537	1,265,667,467	(3.8)	1,375,038,826	1,415,927,536	(2.9)
Debt instruments measured at amortised cost	160,596,148	201,650,435	(20.4)	168,598,773	209,696,173	(19.6)
Financial Assets - At Fair Value through other Comprehensive income [OCI]						
Equity instruments at fair value through OCI	1,160,233	1,179,922	(1.7)	1,160,257	1,179,956	(1.7)
Debt instruments at fair value through OCI	2,520,699	4,731,261	(46.7)	3,610,029	4,756,298	(24.1)
Investments in Subsidiaries	1,027,542	1,027,542	-	-	-	-
Goodwill and Intangible Assets	413,566	439,517	(5.9)	804,305	869,473	(7.5)
Property, Plant and Equipment	26,239,239	26,259,745	(0.1)	35,587,345	35,434,318	(0.4)
Investment Properties	1,264,331	1,264,752	-	175,265	175,795	(0.3)
Prepaid Leases	455,198	461,043	(1.3)	539,262	545,874	(1.2)
Other Assets	29,636,260	30,791,610	(3.8)	31,552,200	32,392,393	(2.6)
<b>Total Assets</b>	<u>1,716,808,165</u>	<u>1,734,702,989</u>	(1.0)	<u>1,898,447,796</u>	<u>1,908,540,233</u>	(0.5)
<b>Liabilities</b>						
Due to Banks	126,011,957	138,031,420	(8.7)	144,488,493	172,247,861	(16.1)
Derivative Financial Instruments	592,347	2,512,205	(76.4)	592,347	2,512,205	(76.4)
Due to Other Customers	1,437,254,968	1,422,961,240	1.0	1,522,355,599	1,495,326,489	1.8
Other Borrowings	15,570,734	35,575,554	(56.2)	24,459,752	35,082,488	(30.3)
Current Tax Liabilities	3,515,642	4,004,218	(12.2)	5,845,557	5,075,102	15.2
Net Deferred Tax Liabilities	3,954,834	3,954,834	-	6,960,002	7,347,484	(5.3)
Other Liabilities	23,378,318	23,919,689	(2.3)	33,269,700	34,350,628	(3.1)
Subordinated Term Debts	12,533,904	12,533,904	-	33,660,709	33,084,526	1.7
<b>Total Liabilities</b>	<u>1,622,812,704</u>	<u>1,643,493,064</u>	(1.3)	<u>1,771,632,159</u>	<u>1,785,026,783</u>	(0.8)
<b>Equity</b>						
Stated Capital/Assigned Capital	12,201,998	12,201,998	-	12,201,998	12,201,998	-
Statutory Reserve Fund	6,669,490	6,669,490	-	6,669,490	6,669,490	-
Other Reserves	26,254,906	26,008,948	0.9	28,197,295	28,027,230	0.6
Retained Earnings	48,869,067	46,329,489	5.5	69,388,366	66,494,500	4.4
<b>Total Shareholders' Equity</b>	<u>93,995,461</u>	<u>91,209,925</u>	3.1	<u>116,457,149</u>	<u>113,393,218</u>	2.7
Non-Controlling Interests	-	-	-	10,358,488	10,120,232	2.4
<b>Total Equity</b>	<u>93,995,461</u>	<u>91,209,925</u>	3.1	<u>126,815,637</u>	<u>123,513,450</u>	2.7
<b>Total Equity and Liabilities</b>	<u>1,716,808,165</u>	<u>1,734,702,989</u>	(1.0)	<u>1,898,447,796</u>	<u>1,908,540,233</u>	(0.5)
<b>Contingent Liabilities and Commitments</b>	382,595,010	402,761,963	(5.0)	390,615,434	409,575,397	(4.6)
Number of Employees	8,002	8,093		11,387	11,394	
Number of Branches	738	738		852	852	

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31ST MARCH**

**BANK**

	Stated capital/Assigned capital		Reserves				Retained Earnings (Rs.'000)	Total (Rs.'000)
	Ordinary Shares (Rs.'000)	Assigned capital (Rs.'000)	Statutory Reserve Fund (Rs.'000)	Revaluation Reserve (Rs.'000)	Other Reserves (Rs.'000)	Financial assets at FVOCI Reserve (Rs.'000)		
<b>Balance as at 1st January 2018</b>	49,998	12,152,000	5,814,744	14,051,911	10,952,737	115,030	33,863,412	76,999,832
<b>Total Comprehensive Income for the year</b>	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	17,094,922	17,094,922
Other comprehensive income/(Expense) [ Net of Taxes]	-	-	-	-	-	15,406	519,455	534,861
<b>Total Comprehensive Income/(Expense)</b>	-	-	-	-	-	15,406	17,614,377	17,629,783
<b>Transactions with Equity Holders, Recognised Directly in Equity</b>	-	-	-	-	-	-	-	-
Transfer to Reserve during the Year	-	-	854,746	-	873,864	-	(1,728,610)	-
Special levy to Treasury/ Dividend	-	-	-	-	-	-	(3,419,690)	(3,419,690)
<b>Total Transactions with Equity Holders</b>	-	-	854,746	-	873,864	-	(5,148,300)	(3,419,690)
<b>Balance as at 31st December 2018</b>	49,998	12,152,000	6,669,490	14,051,911	11,826,601	130,436	46,329,489	91,209,925
<b>Balance as at 1st January 2019</b>	49,998	12,152,000	6,669,490	14,051,911	11,826,601	130,436	46,329,489	91,209,925
<b>Total Comprehensive Income for the period</b>	-	-	-	-	-	-	-	-
Profit for the Period	-	-	-	-	-	-	2,594,501	2,594,501
Other comprehensive income/(Expense) [ Net of Taxes]	-	-	-	-	-	245,958	-	245,958
<b>Total Comprehensive Income/(Expense)</b>	-	-	-	-	-	245,958	2,594,501	2,840,459
<b>Transactions with Equity Holders, Recognised Directly in Equity</b>	-	-	-	-	-	-	-	-
Special levy to Treasury/ Dividend	-	-	-	-	-	-	(54,923)	(54,923)
<b>Total Transactions with Equity Holders</b>	-	-	-	-	-	-	(54,923)	(54,923)
<b>Balance as at 31<sup>st</sup> March 2019</b>	49,998	12,152,000	6,669,490	14,051,911	11,826,601	376,394	48,869,067	93,995,461

**STATEMENT OF CHANGES IN EQUITY**

**GROUP**

**FOR THE PERIOD ENDED 31ST MARCH**

	Stated capital/ Assigned capital		Reserves				Retained earnings	Total	Non controlling interest	Total equity
	Ordinary shares (Rs.'000)	Assigned capital (Rs.'000)	Statutory Reserve Fund (Rs.'000)	Revaluation Reserve (Rs.'000)	Other Reserves (Rs.'000)	Financial assets at FVOCI Reserve				
<b>Balance as at 1st January 2018</b>	<b>49,998</b>	<b>12,152,000</b>	<b>5,814,744</b>	<b>15,831,237</b>	<b>10,946,111</b>	<b>115,030</b>	<b>51,159,341</b>	<b>96,068,461</b>	<b>9,122,451</b>	<b>105,190,912</b>
<b>Total Comprehensive Income for the year</b>	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	19,977,862	19,977,862	1,514,281	21,492,143
Other comprehensive income/(Expense) [ Net of Taxes]	-	-	-	(33,422)	279,004	15,406	505,597	766,585	77,219	843,804
<b>Total Comprehensive Income/(Expense)</b>	-	-	-	<b>(33,422)</b>	<b>279,004</b>	<b>15,406</b>	<b>20,483,459</b>	<b>20,744,447</b>	<b>1,591,500</b>	<b>22,335,947</b>
<b>Transactions with Equity Holders, Recognised Directly in Equity</b>	-	-	-	-	-	-	-	-	-	-
Transfer to Reserve during the period	-	-	854,746	-	873,864	-	(1,728,610)	-	-	-
Special levy to Treasury/ Dividend	-	-	-	-	-	-	(3,419,690)	(3,419,690)	-	(3,419,690)
Dividends Paid	-	-	-	-	-	-	-	-	(593,719)	(593,719)
<b>Total Transactions with Equity Holders</b>	-	-	<b>854,746</b>	-	<b>873,864</b>	-	<b>(5,148,300)</b>	<b>(3,419,690)</b>	<b>(593,719)</b>	<b>(4,013,409)</b>
<b>Balance as at 31st December 2018</b>	<b>49,998</b>	<b>12,152,000</b>	<b>6,669,490</b>	<b>15,797,815</b>	<b>12,098,979</b>	<b>130,436</b>	<b>66,494,500</b>	<b>113,393,218</b>	<b>10,120,232</b>	<b>123,513,450</b>
<b>Balance as at 1st January 2019</b>	<b>49,998</b>	<b>12,152,000</b>	<b>6,669,490</b>	<b>15,797,815</b>	<b>12,098,979</b>	<b>130,436</b>	<b>66,494,500</b>	<b>113,393,218</b>	<b>10,120,232</b>	<b>123,513,450</b>
<b>Total Comprehensive Income for the period</b>	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	3,052,349	3,052,349	153,484	3,205,833
Other comprehensive income/(Expense) [ Net of Taxes]	-	-	-	-	(75,893)	245,958	(73,719)	96,346	(50,144)	46,202
<b>Total Comprehensive Income/(Expense)</b>	-	-	-	-	<b>(75,893)</b>	<b>245,958</b>	<b>2,978,630</b>	<b>3,148,695</b>	<b>103,340</b>	<b>3,252,035</b>
<b>Transactions with Equity Holders, Recognised Directly in Equity</b>	-	-	-	-	-	-	-	-	-	-
Movement due to changes in ownership	-	-	-	-	-	-	(29,841)	(29,841)	189,916	160,075
Special levy to Treasury/ Dividend	-	-	-	-	-	-	(54,923)	(54,923)	-	(54,923)
Dividends Paid	-	-	-	-	-	-	-	-	(55,000)	(55,000)
<b>Total Transactions with Equity Holders</b>	-	-	-	-	-	-	<b>(84,764)</b>	<b>(84,764)</b>	<b>134,916</b>	<b>50,152</b>
<b>Balance as at 31<sup>st</sup> March 2019</b>	<b>49,998</b>	<b>12,152,000</b>	<b>6,669,490</b>	<b>15,797,815</b>	<b>12,023,086</b>	<b>376,394</b>	<b>69,388,366</b>	<b>116,457,149</b>	<b>10,358,488</b>	<b>126,815,637</b>

<b>CASH FLOW STATEMENT</b>				
<b>FOR THE PERIOD ENDED 31ST MARCH</b>				
	<b>BANK</b>		<b>GROUP</b>	
	2019 (Rs. '000) (Unaudited)	2018 (Rs. '000) (Unaudited)	2019 (Rs. '000) (Unaudited)	2018 (Rs. '000) (Unaudited)
<b>Cash flows from operating activities</b>				
Profit before tax	4,202,085	5,951,007	5,724,640	8,335,003
Adjustment for				
Non-cash items included in profits before tax	382,711	2,242,600	1,421,145	2,526,262
Changes in operating assets	(21,997,358)	(29,761,116)	(30,484,998)	(35,100,499)
Changes in operating liabilities	(18,639,615)	24,720,032	(12,902,802)	30,905,119
Dividend income from subsidiaries and others	(153)	(2,505)	(17,944)	(42,134)
Interest expense on subordinated debt	403,767	403,767	991,047	403,767
Contribution paid to defined benefit plans/Gratuity	367,690	415,000	367,690	375,000
Tax paid	(2,096,160)	(738,910)	(2,234,399)	(899,075)
<b>Net Cash Generated from Operating Activities</b>	<b>(37,377,033)</b>	<b>3,229,875</b>	<b>(37,135,621)</b>	<b>6,503,442</b>
<b>Cash Flows from Investing Activities</b>				
Sale /(Purchase) of investment property	-	-	109	(139,196)
Purchase of property, plant and equipment	(428,285)	(1,237,399)	(657,935)	(1,459,372)
Proceeds from the sale of property, plant and equipment	32,770	7,871	2,188	27,099
Sale /(Purchase) of financial investments	40,952,442	(20,345,310)	40,995,555	(20,448,176)
Net purchase of intangible assets	(4,214)	(122,922)	(3,102)	(131,178)
Dividends received from investment in subsidiaries and others	153	2,505	17,944	42,134
Proceeds due to change in ownership	-	-	160,075	-
<b>Net Cash (used in) from Investing Activities</b>	<b>40,552,866</b>	<b>(21,695,255)</b>	<b>40,514,834</b>	<b>(22,108,689)</b>
<b>Cash Flows from Financing Activities</b>				
Net Proceeds from subordinated debt	-	-	576,183	(2,758,331)
Interest paid on subordinated debt	(403,767)	(403,767)	(991,047)	(403,767)
Dividend paid to non-controlling interest	-	-	(55,000)	(62,500)
Dividend/Levy paid to holders of other equity instruments	(54,923)	(254,923)	(54,923)	(254,923)
<b>Net Cash (used in) from Financing Activities</b>	<b>(458,690)</b>	<b>(658,690)</b>	<b>(524,787)</b>	<b>(3,479,521)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>2,717,143</b>	<b>(19,124,070)</b>	<b>2,854,426</b>	<b>(19,084,768)</b>
Cash and cash equivalents at the beginning of the year	57,879,933	68,958,012	58,835,090	69,675,003
<b>Cash and cash equivalents at the end of the period</b>	<b>60,597,076</b>	<b>49,833,942</b>	<b>61,689,516</b>	<b>50,590,235</b>

## ANALYSIS OF LOANS & RECEIVABLES TO OTHER CUSTOMERS AND IMPAIRMENT

	BANK		GROUP	
	31.03.2019	31.12.2018	31.03.2019	31.12.2018
	(Rs.'000)	(Rs. '000)	(Rs.'000)	(Rs. '000)
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>Loans and Receivables to Other Customers</b>				
Gross loans and receivables	1,287,713,369	1,334,420,260	1,450,636,445	1,489,920,155
<b>Less :</b>				
Allowance for Expected Credit Loss /Impairment losses	(69,912,832)	(68,752,793)	(75,597,619)	(73,992,619)
Individual impairment	(49,183,573)	(47,680,508)	(49,924,588)	(48,341,773)
Collective impairment	(20,729,259)	(21,072,285)	(25,673,031)	(25,650,846)
<b>Net loans and receivables</b>	<b>1,217,800,537</b>	<b>1,265,667,467</b>	<b>1,375,038,826</b>	<b>1,415,927,536</b>
<b>Product-wise Gross loans &amp; advances</b>				
<b>By product – Domestic currency</b>				
Overdrafts	125,046,321	128,064,782	123,786,869	124,559,325
Term loans	620,116,716	627,127,993	683,864,976	683,488,108
Lease rentals receivable	-	-	92,700,145	95,132,968
Credit cards	2,950,600	2,883,268	2,950,600	2,883,268
Pawning	150,632,570	149,825,847	150,719,012	149,935,284
Trade Finance	100,425,558	108,206,301	100,425,558	108,206,301
Others	19,752,650	19,882,764	27,400,331	27,285,596
<b>Sub Total</b>	<b>1,018,924,415</b>	<b>1,035,990,955</b>	<b>1,181,847,491</b>	<b>1,191,490,850</b>
<b>By product – Foreign currency</b>				
Overdrafts	963,006	1,136,306	963,006	1,136,306
Term loans	153,589,237	124,723,981	153,589,237	124,723,981
Trade Finance	114,236,711	172,569,018	114,236,711	172,569,018
<b>Sub Total</b>	<b>268,788,954</b>	<b>298,429,305</b>	<b>268,788,954</b>	<b>298,429,305</b>
<b>Grand Total</b>	<b>1,287,713,369</b>	<b>1,334,420,260</b>	<b>1,450,636,445</b>	<b>1,489,920,155</b>

### Movement of Impairment during the Period

	BANK		GROUP	
	31.03.2019	31.12.2018	31.03.2019	31.12.2018
	(Rs.'000)	(Rs. '000)	(Rs.'000)	(Rs. '000)
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>Movements in Individual Impairment during the Year</b>				
<b>Opening balance</b>	47,680,508	44,913,498	48,341,773	45,672,491
Charge/ (Reversal) for year	1,503,065	2,767,010	1,582,815	2,669,282
<b>Closing balance</b>	<b>49,183,573</b>	<b>47,680,508</b>	<b>49,924,588</b>	<b>48,341,773</b>
<b>Movements in Collective Impairment during the Year</b>				
<b>Opening balance</b>	21,072,285	16,691,440	25,650,846	19,677,002
Impact of adopting SLFRS 9 as at 1st January 2018	-	(1,716,523)	-	(1,134,139)
Charge/ (Reversal) for year	(97,208)	5,694,043	268,003	6,704,658
Write off during the year	(93,557)	(160,306)	(93,557)	(160,306)
Exchange rate variance on foreign currency provisions	(152,261)	563,631	(152,261)	563,631
<b>Closing balance</b>	<b>20,729,259</b>	<b>21,072,285</b>	<b>25,673,031</b>	<b>25,650,846</b>
<b>Total Impairment</b>	<b>69,912,832</b>	<b>68,752,793</b>	<b>75,597,619</b>	<b>73,992,619</b>

### Movement in Allowance for Expected Credit Loss [Impairment losses] based on exposure to credit risk

Bank				Total
	Stage 1	Stage 2	Stage 3	
Opening balance as at 01st January 2019	5,110,245	1,752,572	61,889,976	68,752,793
Net Charge/(Reversal) for the year	(784,661)	523,183	1,667,335	1,405,857
Amounts written off	-	-	(93,557)	(93,557)
Exchange rate variance on foreign currency provisions	-	-	(152,261)	(152,261)
<b>Closing balance as at 31st March 2019</b>	<b>4,325,584</b>	<b>2,275,755</b>	<b>63,311,493</b>	<b>69,912,832</b>
Group	Stage 1	Stage 2	Stage 3	Total
Opening balance as at 01st January 2019	5,649,333	2,486,192	65,857,094	
Net Charge/(Reversal) for the year	(534,025)	471,277	1,913,566	1,850,818
Amounts written off	-	-	(93,557)	(93,557)
Exchange rate variance on foreign currency provisions	-	-	(152,261)	(152,261)
<b>Closing balance as at 31st March 2019</b>	<b>5,115,308</b>	<b>2,957,469</b>	<b>67,524,842</b>	<b>75,597,619</b>



## ANALYSIS OF DEPOSITS

	BANK		GROUP	
	31.03.2019	31.12.2018	31.03.2019	31.12.2018
	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>By product – Domestic currency</b>				
Demand deposits (current accounts)	51,469,255	60,765,394	48,802,675	58,857,717
Savings deposits	464,099,901	455,323,630	469,417,027	460,563,427
Fixed deposits	802,237,820	804,075,204	879,018,448	867,501,720
Others	2,908,946	4,423,184	8,578,403	10,029,797
<b>Sub total</b>	<b>1,320,715,922</b>	<b>1,324,587,412</b>	<b>1,405,816,553</b>	<b>1,396,952,661</b>
<b>By product – Foreign currency</b>				
Demand deposits (current accounts)	1,956,950	2,904,892	1,956,950	2,904,892
Savings deposits	21,382,266	20,227,442	21,382,266	20,227,442
Fixed deposits	93,145,230	75,194,053	93,145,230	75,194,053
Others	54,600	47,441	54,600	47,441
<b>Sub total</b>	<b>116,539,046</b>	<b>98,373,828</b>	<b>116,539,046</b>	<b>98,373,828</b>
<b>Grand Total</b>	<b>1,437,254,968</b>	<b>1,422,961,240</b>	<b>1,522,355,599</b>	<b>1,495,326,489</b>

## ANALYSIS OF CONTINGENT LIABILITIES AND COMMITMENTS

	BANK		GROUP	
	31.03.2019	31.12.2018	31.03.2019	31.12.2018
	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>By product</b>				
Acceptances	89,941,553	90,195,344	89,941,553	90,195,344
Documentary Credit	98,153,595	84,103,230	98,153,595	84,103,230
Guarantees	77,201,130	73,255,113	77,947,554	74,001,537
Forward Exchange Contracts	51,397,025	99,087,601	51,397,025	99,087,601
Non disbursed overdrafts & loans	66,712,206	56,791,963	73,986,206	62,858,973
Gross Contingent Liabilities and Commitments	<b>383,405,509</b>	<b>403,433,251</b>	<b>391,425,933</b>	<b>410,246,685</b>
<b>Less :</b>				
Allowance for Expected Credit Loss [Impairment losses]	(810,499)	(671,288)	(810,499)	(671,288)
<b>Net Contingent Liabilities and Commitments</b>	<b>382,595,010</b>	<b>402,761,963</b>	<b>390,615,434</b>	<b>409,575,397</b>

## ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

### BANK AS AT 31ST MARCH 2019

	Fair Value Through P&L (Rs.'000)	Fair Value Through OCI (Rs.'000)	Amortised Cost (Rs.'000)	Total (Rs.'000)
<b>ASSETS</b>				
Cash and cash equivalents	-	-	60,597,076	60,597,076
Balances with Central Banks	-	-	39,312,055	39,312,055
Placements with Banks	-	-	8,436,133	8,436,133
Derivative Financial Instruments	1,001,024	-	-	1,001,024
Financial assets - at fair value through profit or loss	108,196,547	-	-	108,196,547
Loans and receivables to banks	-	-	58,151,577	58,151,577
Loans and receivables to other customers	-	-	1,217,800,537	1,217,800,537
Debt instruments measured at amortised cost	-	-	160,596,148	160,596,148
Equity instruments at fair value through OCI	-	1,160,233	-	1,160,233
Debt instruments at fair value through OCI	-	2,520,699	-	2,520,699
<b>Total Financial Assets</b>	<b>109,197,571</b>	<b>3,680,932</b>	<b>1,544,893,526</b>	<b>1,657,772,029</b>
<b>LIABILITIES</b>				
Due to banks	-	-	126,011,957	126,011,957
Derivative Financial Instruments	592,347	-	-	592,347
Due to other customers	-	-	1,437,254,968	1,437,254,968
Other Borrowings	-	-	15,570,734	15,570,734
Subordinated term debts	-	-	12,533,904	12,533,904
<b>Total Financial Liabilities</b>	<b>592,347</b>	<b>-</b>	<b>1,591,371,563</b>	<b>1,591,963,910</b>

## ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

### BANK AS AT 31ST DECEMBER 2018

	Fair Value Through P&L (Rs.'000)	Fair Value Through OCI (Rs.'000)	Amortised Cost (Rs.'000)	Total (Rs.'000)
<b>ASSETS</b>				
Cash and cash equivalents	-	-	57,879,933	57,879,933
Balances with Central Banks	-	-	51,615,796	51,615,796
Placements with Banks	-	-	4,350,726	4,350,726
Derivative Financial Instruments	1,163,384	-	-	1,163,384
Financial assets - at fair value through profit or loss	54,052,435	-	-	54,052,435
Loans and receivables to banks	-	-	32,167,421	32,167,421
Loans and receivables to other customers	-	-	1,265,667,467	1,265,667,467
Debt instruments measured at amortised cost	-	-	201,650,435	201,650,435
Equity instruments at fair value through OCI	-	1,179,922	-	1,179,922
Debt instruments at fair value through OCI	-	4,731,261	-	4,731,261
<b>Total Financial Assets</b>	<b>55,215,819</b>	<b>5,911,183</b>	<b>1,613,331,778</b>	<b>1,674,458,780</b>
<b>LIABILITIES</b>				
Due to banks	-	-	138,031,420	138,031,420
Derivative Financial Instruments	2,512,205	-	-	2,512,205
Due to other customers	-	-	1,422,961,240	1,422,961,240
Other Borrowings	-	-	35,575,554	35,575,554
Subordinated term debts	-	-	12,533,904	12,533,904
<b>Total Financial Liabilities</b>	<b>2,512,205</b>	<b>-</b>	<b>1,609,102,118</b>	<b>1,611,614,323</b>

## ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

### GROUP AS AT 31ST MARCH 2019

	Fair Value Through P&L (Rs.'000)	Fair Value Through OCI (Rs.'000)	Amortised Cost (Rs.'000)	Total (Rs.'000)
<b>ASSETS</b>				
Cash and cash equivalents	-	-	61,689,516	61,689,516
Balances with Central Banks	-	-	39,312,055	39,312,055
Placements with Banks	-	-	12,351,212	12,351,212
Derivative Financial Instruments	1,001,024	-	-	1,001,024
Financial assets - at fair value through profit or loss	108,397,851	-	-	108,397,851
Loans and receivables to banks	-	-	58,629,876	58,629,876
Loans and receivables to other customers	-	-	1,375,038,826	1,375,038,826
Debt instruments measured at amortised cost	-	-	168,598,773	168,598,773
Equity instruments at fair value through OCI	-	1,160,257	-	1,160,257
Debt instruments at fair value through OCI	-	3,610,029	-	3,610,029
<b>Total Financial Assets</b>	<b>109,398,875</b>	<b>4,770,286</b>	<b>1,715,620,258</b>	<b>1,829,789,419</b>
<b>LIABILITIES</b>				
Due to banks	-	-	144,488,493	144,488,493
Derivative Financial Instruments	592,347	-	-	592,347
Due to other customers	-	-	1,522,355,599	1,522,355,599
Other Borrowings	-	-	24,459,752	24,459,752
Subordinated term debts	-	-	33,660,709	33,660,709
<b>Total Financial Liabilities</b>	<b>592,347</b>	<b>-</b>	<b>1,724,964,553</b>	<b>1,725,556,900</b>

## ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

### GROUP AS AT 31ST DECEMBER 2018

	Fair Value Through P&L (Rs.'000)	Fair Value Through OCI (Rs.'000)	Amortised Cost (Rs.'000)	Total (Rs.'000)
<b>ASSETS</b>				
Cash and cash equivalents	-	-	58,835,090	58,835,090
Balances with Central Banks	-	-	51,615,796	51,615,796
Placements with Banks	-	-	9,096,252	9,096,252
Derivative Financial Instruments	1,163,384	-	-	1,163,384
Financial assets - at fair value through profit or loss	54,300,238	-	-	54,300,238
Loans and receivables to banks	-	-	32,551,657	32,551,657
Loans and receivables to other customers	-	-	1,415,927,536	1,415,927,536
Debt instruments measured at amortised cost	-	-	209,696,173	209,696,173
Equity instruments at fair value through OCI	-	1,179,956	-	1,179,956
Debt instruments at fair value through OCI	-	4,756,298	-	4,756,298
<b>Total Financial Assets</b>	<b>55,463,622</b>	<b>5,936,254</b>	<b>1,777,722,504</b>	<b>1,839,122,380</b>
<b>LIABILITIES</b>				
Due to banks	-	-	172,247,861	172,247,861
Derivative Financial Instruments	2,512,205	-	-	2,512,205
Due to other customers	-	-	1,495,326,489	1,495,326,489
Other Borrowings	-	-	35,082,488	35,082,488
Subordinated term debts	-	-	33,084,526	33,084,526
<b>Total Financial Liabilities</b>	<b>2,512,205</b>	<b>-</b>	<b>1,735,741,364</b>	<b>1,738,253,569</b>

## SELECTED PERFORMANCE INDICATORS (Based on Regulatory Reporting)

	BANK		GROUP	
	As at 31.03.2019 (Unaudited)	As at 31.12.2018 (Audited)	As at 31.03.2019 (Unaudited)	As at 31.12.2018 (Audited)
<b>Regulatory Capital Adequacy</b>				
Common Equity Tier 1 Capital [Rs. 000]	77,363,259	74,623,023	104,574,529	101,088,945
Core (Tier 1) Capital [Rs. 000]	77,363,259	74,623,023	104,574,529	101,088,945
Total Capital Base	100,202,700	97,987,548	128,402,247	125,548,973
<b>Regulatory Capital Ratios (%)</b>				
Common Equity Tier 1 Capital (%) (Min. requirement - 2019 -8.5%, 2018 -7.375%)	11.60	11.02	12.19	11.66
Tier 1 Capital Ratio (%) (Min. requirement - 2019 -10%, 2018 -8.875%)	11.60	11.02	12.19	11.66
Total Capital Ratio (%) (Min. requirement - 2019 -14%, 2018 -12.875%)	15.02	14.47	14.97	14.48
<b>Asset Quality ( Quality of Loan Portfolio)</b>				
Gross Non- Performing Advances Ratio, % (net of Interest in Suspense)	2.90	2.49	3.04	2.70
Net Non- Performing Advances Ratio, % (net of interest in suspense and provisions)	1.65	1.36	1.54	1.34
<b>Profitability</b>				
Interest Margin, %	3.30	3.48	3.90	4.04
Return on Assets (Before Tax) , %	0.97	1.52	1.20	1.77
Return on Equity (After Tax) , %	11.21	20.27	10.25	18.69
<b>Leverage Ratio (Min. requirement - 3%)</b>	4.35	4.12	5.15	5.08
<b>Regulatory Liquidity</b>				
<b>Statutory Liquid Assets</b>				
Domestic Banking unit Rs.000	372,413,597	337,865,692		
Off-Shore Banking Unit USD.000	470,466	303,616		
<b>Statutory Liquid Assets Ratio (%) (Min. requirement - 20%)</b>				
Domestic Banking unit (%)	25.72	23.01		
Off-Shore Banking Unit (%)	39.79	30.36		
<b>Total Stock of High Quality Liquid Assets [Rs.000]</b>	350,109,601	303,919,749		
<b>Liquidity Coverage Ratio (%) (Min. requirement , 2019- 100%, 2018- 90%)</b>				
Liquidity Coverage Ratio - Rupee	155.34	144.90		
Liquidity Coverage Ratio - All Currency	115.48	100.42		

CERTIFICATION

We the undersigned being the Chairman, Chief Executive Officer/General Manager and the Head of Finance of the Bank jointly certify 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 the group unless indicated as Audited.

(Sgd.)  
Azzam A. Ahamat  
**Head of Finance**

29.05.2019  
Colombo.

(Sgd.)  
Rasitha Gunawardana  
**Chief Executive Officer/General Manager**

(Sgd.)  
Nissanka Nanayakkara  
**Chairman**

