



**PEOPLE'S
BANK**

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30TH JUNE 2017

FITCH RATING AA+ (LKA)

INCOME STATEMENT
FOR THE PERIOD ENDED 30TH JUNE

	BANK			GROUP		
	2017 (Rs. '000) (Audited)	2016 (Rs. '000) (Unaudited)	Change %	2017 (Rs. '000) (Unaudited)	2016 (Rs. '000) (Unaudited)	Change %
Gross Income	77,606,659	56,285,135	37.9	91,455,411	66,660,025	37.2
Interest income	71,165,585	50,754,880	40.2	83,198,748	59,804,002	39.1
Interest expenses	(47,201,755)	(30,039,837)	57.1	(53,374,912)	(34,045,498)	56.8
Net Interest Income	23,963,830	20,715,043	15.7	29,823,836	25,758,504	15.8
Fee and commission income	2,282,264	1,817,382	25.6	2,399,980	1,787,552	34.3
Fee and commission expenses	(120,017)	(92,116)	30.3	(120,017)	(92,116)	30.3
Net Fee and Commission Income	2,162,247	1,725,266	25.3	2,279,963	1,695,436	34.5
Net gain from trading	1,791,290	1,227,174	46.0	1,844,421	1,163,749	58.5
Other operating income (net)	2,367,520	2,485,695	(4.8)	4,012,262	3,904,725	2.8
Total Operating Income	30,284,887	26,153,178	15.8	37,960,482	32,522,412	16.7
Impairment for loans and other losses	(1,765,106)	(224,480)	686.3	(2,503,860)	(228,270)	996.9
Individual impairment	(521,837)	(497,957)	-	(316,511)	(330,610)	-
Collective impairment	(1,198,968)	273,477	-	(2,104,912)	617,238	-
Other	(44,301)	-	-	(82,437)	(514,898)	-
Net Operating Income	28,519,781	25,928,698	10.0	35,456,622	32,294,141	9.8
Personnel Expenses	(8,596,259)	(8,594,327)	-	(10,228,176)	(9,877,811)	3.5
Depreciation and amortisation	(537,288)	(527,788)	1.8	(675,015)	(682,509)	(1.1)
Other expenses	(4,844,926)	(4,182,947)	15.8	(7,508,861)	(6,302,806)	19.1
Operating Profit before Value Added Tax (VAT) & Nation Building Tax (NBT)	14,541,308	12,623,638	15.2	17,044,570	15,431,016	10.5
VAT & NBT on Financial Services	(3,173,523)	(2,603,442)	21.9	(3,655,500)	(2,926,111)	24.9
Operating Profit after Value Added Tax (VAT) & Nation Building Tax (NBT)	11,367,785	10,020,196	13.4	13,389,070	12,504,905	7.1
Share of profits/(loss) of associates	-	-	-	-	-	-
Profit before Tax	11,367,785	10,020,196	13.4	13,389,070	12,504,905	7.1
Income tax expenses	(4,359,266)	(2,930,323)	48.8	(5,121,363)	(3,727,134)	37.4
Profit for the period	7,008,519	7,089,873	(1.1)	8,267,707	8,777,771	(5.8)
Profit Attributable to :						
Equity Holders of the Bank	7,008,519	7,089,873	(1.1)	7,728,727	8,153,760	(5.2)
Non-controlling interests	-	-	-	538,980	624,011	-
	7,008,519	7,089,873	(1.1)	8,267,707	8,777,771	(5.8)
Earnings per Share on Profit						
Basic earnings per ordinary share	7,009	7,090	-	8,154	8,154	-
Diluted earnings per ordinary share	49	49	-	57	57	-

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**FOR THE PERIOD ENDED 30TH JUNE**

	BANK		GROUP	
	2017 (Rs. '000) (Audited)	2016 (Rs. '000) (Unaudited)	2017 (Rs. '000) (Unaudited)	2016 (Rs. '000) (Unaudited)
Profit for the period	7,008,519	7,089,873	8,267,707	8,777,771
Other Comprehensive Income net of Tax				
Actuarial gains and losses on defined benefit plans	-	-	(23,755)	(24,202)
Deferred tax effect on defined benefit plan liability	-	-	6,266	6,214
Gains and losses on re-measuring available-for-sale financial assets	(38,539)	-	(39,191)	(121,503)
Gain on revaluation of land and buildings	-	-	-	-
Gains and losses on derivative financial Assets	-	-	(15,715)	(9,531)
Less:				
Tax expense relating to components of other comprehensive income	-	-	(165)	-
Other Comprehensive Income for the period, net of Taxes	(38,539)	-	(72,560)	(149,022)
Total Comprehensive Income for the period	6,969,980	7,089,873	8,195,147	8,628,749
Attributable to :				
Equity Holders of the Bank	6,969,980	7,089,873	7,665,046	8,044,571
Non-controlling interests	-	-	530,101	584,178

STATEMENT OF FINANCIAL POSITION

AS AT

	BANK			GROUP		
	30.06.2017	31.12.2016	Change	30.06.2017	31.12.2016	Change
	(Rs.'000)	(Rs. '000)	%	(Rs.'000)	(Rs. '000)	%
	(Audited)	(Audited)		(Unaudited)	(Audited)	
Assets						
Cash and Cash Equivalents	40,164,030	64,008,639	(37.3)	44,261,611	67,695,584	(34.6)
Balances with Central Bank of Sri Lanka	70,335,895	63,049,516	11.6	70,335,895	63,049,516	11.6
Placements with banks	23,068,897	32,772,978	(29.6)	23,068,897	32,772,978	(29.6)
Derivative Financial Instruments	135,613	15,057	800.7	135,613	21,196	539.8
Other Financial assets held-for-trading	105,515,028	46,915,311	124.9	106,016,065	47,455,844	123.4
Loans and receivables to Banks	57,278,164	71,528,031	(19.9)	58,758,928	72,205,378	(18.6)
Loans and receivables to other customers	988,726,904	890,528,101	11.0	1,116,540,517	1,013,921,293	10.1
Financial investments - Available-for-sale	4,068,375	1,525,839	166.6	5,354,562	3,258,308	64.3
Financial investments - Held-to-maturity	141,370,444	96,171,734	47.0	145,362,359	101,069,681	43.8
Non Current Assets Held For Sale	-	-	-	-	1,040,828	(100.0)
Investments in subsidiaries	1,281,465	1,325,766	(3.3)	-	-	-
Investments in associates	-	-	-	-	-	-
Goodwill and intangible assets	91,025	110,514	(17.6)	434,236	438,323	(0.9)
Property, plant and equipment	18,688,143	17,224,026	8.5	24,911,787	23,440,966	6.3
Investment properties	183,159	184,006	(0.5)	183,158	184,006	(0.5)
Prepaid Leases	502,773	512,184	(1.8)	502,775	512,184	(1.8)
Other assets	20,590,696	16,176,745	27.3	21,908,029	17,331,932	26.4
Total Assets	1,472,000,611	1,302,048,447	13.1	1,617,774,432	1,444,398,017	12.0
Liabilities						
Due to banks	138,173,316	106,924,276	29.2	165,263,273	130,122,246	27.0
Derivative Financial Instruments	121,037	72,182	67.7	121,037	72,182	67.7
Due to other customers	1,208,230,375	1,077,812,127	12.1	1,253,625,630	1,119,753,182	12.0
Other Borrowings	28,534,465	27,184,535	5.0	41,789,786	42,296,376	(1.2)
Current tax liabilities	4,366,490	2,432,266	79.5	4,729,319	3,000,249	57.6
Deferred tax liabilities	116,140	63,479	83.0	2,351,862	2,254,462	4.3
Other liabilities	14,418,069	15,378,998	(6.2)	23,635,747	25,182,416	(6.1)
Subordinated term debts	12,531,728	12,531,728	-	34,228,851	36,525,796	(6.3)
Total Liabilities	1,406,491,620	1,242,399,591	13.2	1,525,745,505	1,359,206,909	12.3
Equity						
Stated capital/Assigned capital	7,201,998	7,201,998	-	7,201,998	7,201,998	-
Statutory reserve Fund	4,902,255	4,902,255	-	4,902,255	4,902,255	-
Other reserves	21,163,906	21,195,855	(0.2)	22,225,770	22,269,995	(0.2)
Retained earnings	32,240,832	26,348,748	22.4	49,784,959	43,185,534	15.3
Total shareholders' equity	65,508,991	59,648,856	-	84,114,982	77,559,782	-
Non-controlling interests	-	-	-	7,913,945	7,631,326	3.7
Total equity	65,508,991	59,648,856	9.8	92,028,927	85,191,108	8.0
Total equity and liabilities	1,472,000,611	1,302,048,447	13.1	1,617,774,432	1,444,398,017	12.0
Contingent Liabilities and Commitments	241,528,542	226,429,659	6.7	246,514,323	226,442,491	8.9
No of Employees	8,236	8,249		10,949	10,471	
No of Branches	737	737		851	852	

STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30TH JUNE

BANK

	Stated capital/Assigned capital		Reserves					Total
	Ordinary shares (Rs.'000)	Assigned capital (Rs.'000)	Reserve fund (Rs.'000)	Revaluation reserve (Rs.'000)	Other reserves (Rs.'000)	Available For Sale Reserve (Rs.'000)	Retained earnings (Rs.'000)	(Rs.'000)
Balance as at 01.01.2016	49,998	7,152,000	4,152,518	10,846,499	10,703,873	296,379	16,293,472	49,494,739
Profit for the year	-	-	-	-	-	-	14,994,691	14,994,691
Changes in Fair Value in AFS Investments	-	-	-	-	-	(13,286)	-	(13,286)
Reversal of Reserves on disposal of AFS Investments	-	-	-	-	-	(9,315)	-	(9,315)
Net Defined Benefit obligation	-	-	-	-	-	-	3,386,550	3,386,550
Deferred tax effect on defined benefit plans	-	-	-	-	-	-	15,167	15,167
Transfers to reserves during the period	-	-	749,737	-	(625,000)	-	(124,737)	-
Special Levy to Treasury / Dividend	-	-	-	-	-	-	(8,219,690)	(8,219,690)
Reversal of Revaluation Gain on Disposed Property	-	-	-	(3,295)	-	-	3,295	-
Transfers to Retained earnings during the period	-	-	-	-	-	-	-	-
Balance as at 01.01.2017	49,998	7,152,000	4,902,255	10,843,204	10,078,873	273,778	26,348,748	59,648,856
Profit for the period	-	-	-	-	-	-	7,008,519	7,008,519
Changes in Fair Value in AFS Investments	-	-	-	-	-	(38,539)	-	(38,539)
Reversal of Revaluation gain on disposal of AFS Investments	-	-	-	-	-	-	-	-
Net Defined Benefit obligation	-	-	-	-	-	-	-	-
Reversal of Revaluation gain on Disposed Property	-	-	-	-	-	-	-	-
Transfers to reserves during the period	-	-	-	-	-	-	-	-
Transfer from Reserve during the period	-	-	-	6,590	-	-	(6,590)	-
Special Levy to Treasury / Dividend	-	-	-	-	-	-	(1,109,845)	(1,109,845)
Deferred tax effect on defined benefit plans	-	-	-	-	-	-	-	-
Balance as at 30.06.2017	49,998	7,152,000	4,902,255	10,849,794	10,078,873	235,239	32,240,832	65,508,991

STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30TH JUNE

GROUP

	Stated capital/ Assigned capital		Reserves					Total (Rs.'000)	Non controlling interest (Rs.'000)	Total equity (Rs.'000)	
	Ordinary shares (Rs.'000)	Assigned capital (Rs.'000)	Reserve fund (Rs.'000)	Revaluation reserve (Rs.'000)	Other reserves (Rs.'000)	Available For Sale Reserve (Rs.'000)	Cash Flow Hedge Reserve (Rs.'000)				Retained earnings (Rs.'000)
Balance as at 01.01.2016	49,998	7,152,000	4,152,518	11,867,700	10,703,873	433,941	7,148	32,209,592	66,576,770	6,223,858	72,800,628
Profit for the year	-	-	-	-	-	-	-	16,721,972	16,721,972	1,233,956	17,955,928
Changes in Fair Value in AFS Investments	-	-	-	-	-	(128,446)	-	-	(128,446)	(38,583)	(167,029)
Reversal of Reserves on disposal of AFS Investments	-	-	-	-	-	(9,315)	-	-	(9,315)	-	(9,315)
Net Defined Benefit obligation	-	-	-	-	-	-	-	3,370,185	3,370,185	(7,837)	3,362,348
Gain on revaluation of Land and Building	-	-	-	18,750	-	-	-	-	18,750	6,250	25,000
Transfer to Reserve during the period	-	-	749,737	-	(625,000)	-	-	(124,737)	-	-	-
Special Levy to Treasury / Dividend	-	-	-	-	-	-	-	(8,219,690)	(8,219,690)	-	(8,219,690)
Movement due to change in ownership	-	-	-	-	-	-	-	(781,872)	(781,872)	776,130	(5,742)
Change of Holding of Associate	-	-	-	-	-	-	-	(13,016)	(13,016)	(4,339)	(17,355)
Share Issue	-	-	-	-	-	-	-	-	-	-	-
Gains and losses on derivative financial Assets	-	-	-	-	-	-	4,639	-	4,639	1,547	-
Dividend payment	-	-	-	-	-	-	-	-	-	(561,232)	(561,232)
Deffered tax effect on defined benefit plans	-	-	-	-	-	-	-	20,393	20,393	1,742	22,135
Reversal of Revaluation gain on Disposed Property	-	-	-	(3,295)	-	-	-	3,295	-	-	-
Tax on Other Comprehensive income	-	-	-	-	-	-	-	(588)	(588)	(166)	(754)
Balance as at 01.01.2017	49,998	7,152,000	4,902,255	11,883,155	10,078,873	296,180	11,787	43,185,534	77,559,782	7,631,326	85,191,108
Profit for the period	-	-	-	-	-	-	-	7,728,727	7,728,727	538,980	8,267,707
Changes in Fair Value in AFS Investments	-	-	-	-	-	(39,028)	-	-	(39,028)	(163)	(39,191)
Net Defined Benefit obligation	-	-	-	-	-	-	-	(17,437)	(17,437)	(6,318)	(23,755)
Gains and losses on derivative financial Assets	-	-	-	-	-	-	(11,787)	-	(11,787)	(3,928)	(15,715)
Tax on other comprehensive income	-	-	-	-	-	-	-	(129)	(129)	(36)	(165)
Reversal of Revaluation on Disposed Property	-	-	-	-	-	-	-	-	-	-	-
Revaluation Surplus of Land and Building	-	-	-	-	-	-	-	-	-	-	-
Deffered tax effect on defined benefit plans	-	-	-	-	-	-	-	4,699	4,699	1,567	6,266
Transfer from Reserve during the period	-	-	-	6,590	-	-	-	(6,590)	-	-	-
Change of Holding of Associate	-	-	-	-	-	-	-	-	-	-	-
Movement due to change in ownership	-	-	-	-	-	-	-	-	-	-	-
Share Issue Expenses	-	-	-	-	-	-	-	-	-	-	-
Dividends Paid	-	-	-	-	-	-	-	-	-	(247,483)	(247,483)
Special Levy to Treasury / Dividend	-	-	-	-	-	-	-	(1,109,845)	(1,109,845)	-	(1,109,845)
Balance as at 30.06.2017	49,998	7,152,000	4,902,255	11,889,745	10,078,873	257,152	-	49,784,959	84,114,982	7,913,945	92,028,927

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30TH JUNE

	BANK		GROUP	
	2017 (Rs. '000) (Unaudited)	2016 (Rs. '000) (Unaudited)	2017 (Rs. '000) (Unaudited)	2016 (Rs. '000) (Unaudited)
Cash flows from operating activities				
Profit before tax	11,367,785	10,020,196	13,389,070	12,504,905
Adjustment for				
Non-cash items included in profits before tax	1,851,636	1,242,413	2,700,742	1,405,829
Changes in operating assets	(148,334,826)	(28,988,252)	(154,018,741)	(36,260,585)
Changes in operating liabilities	161,251,052	18,205,867	166,131,225	23,400,446
Net gains from investing activities	-	-	-	-
Share of profits in associates and joint ventures	-	-	-	-
Dividend income from subsidiaries and associates	(646,413)	(668,554)	(193,943)	(115,509)
Interest expense on subordinated debt	793,750	993,750	793,750	993,750
Contribution paid to defined benefit plans/Gratuity	805,238	1,066,556	805,238	1,103,542
Tax paid	(2,372,381)	(1,446,190)	(3,288,792)	(2,327,548)
Net Cash Generated from Operating Activities	24,715,841	425,789	26,318,548	704,830
Cash Flows from Investing Activities				
Purchase of property, plant and equipment	(1,970,250)	(1,052,567)	(1,059,576)	(288,275)
Proceeds from the sale of property, plant and equipment	6,030	14,748	23,830	21,058
Purchase of financial investments	(45,340,198)	1,757,611	(44,434,166)	1,355,179
Proceeds from the sale and maturity of financial investments	-	-	-	-
Net purchase of intangible assets	1,150	(732)	(28,529)	(6,205)
Net cash flow from acquisition of investment in subsidiaries and associates	-	-	-	-
Net cash flow from preference shares subsidiaries	-	100,000	-	-
Proceeds from disposal of associates and joint ventures	-	-	-	-
Dividends received from investment in subsidiaries and associates	646,413	668,554	193,943	115,509
Others	-	-	-	-
Net Cash (used in) from Investing Activities	(46,656,855)	1,487,616	(45,304,498)	1,197,263
Cash Flows from Financing Activities				
Net proceeds from the issue of subordinated debt	-	-	-	-
Repayment of subordinated debt	-	-	(2,296,945)	-
Interest paid on subordinated debt	(793,750)	(993,750)	(793,750)	(993,750)
Dividend paid to GOSL	-	-	-	-
Dividend paid to non-controlling interest	-	-	(247,483)	(227,495)
Dividend/Levy paid to holders of other equity instruments	(1,109,845)	(2,109,845)	(1,109,845)	(2,109,845)
Share issue expenses	-	-	-	-
Disposal of changes of holdings	-	-	-	-
Net Cash from Financial Activities	(1,903,595)	(3,103,595)	(4,448,023)	(3,331,090)
Net Increase/(Decrease) in Cash & Cash Equivalents	(23,844,609)	(1,190,190)	(23,433,973)	(1,428,997)
Cash and cash equivalents at the beginning of the year	64,008,639	27,963,708	67,695,584	30,692,205
Exchange difference in respect of cash & cash equivalent	-	-	-	-
Cash and cash equivalents at the end of the period	40,164,030	26,773,518	44,261,611	29,263,208

ADDITIONAL DISCLOSURES

	BANK		GROUP	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016
	(Rs.'000) (Unaudited)	(Rs. '000) (Audited)	(Rs.'000) (Unaudited)	(Rs. '000) (Audited)
Loans and Receivables to Other Customers				
Gross loans and receivables	1,052,556,350	950,823,949	1,183,301,593	1,076,448,155
(Less) : Individual impairment	(46,247,407)	(43,589,172)	(46,577,431)	(44,124,522)
Collective impairment	(17,582,039)	(16,706,676)	(20,183,645)	(18,402,340)
Net loans and receivables	988,726,904	890,528,101	1,116,540,517	1,013,921,293
Analysis -Domestic Currency				
By product				
Overdrafts	105,845,723	59,131,397	105,288,332	57,785,473
Term loans	568,914,390	538,468,884	611,404,575	577,551,160
Lease Rental Receivable	-	-	84,579,082	84,250,993
Credit Cards	2,014,824	1,839,646	2,014,824	1,839,646
Pawning	126,176,552	114,422,847	126,176,552	114,422,847
Trade Finance	30,378,274	37,869,834	30,378,274	37,869,834
Others	18,798,359	18,996,751	23,031,725	22,633,612
Sub Total	852,128,122	770,729,359	982,873,364	896,353,565
Analysis -Foreign Currency				
By product				
Overdrafts	339,324	260,972	339,324	260,972
Term loans	54,432,814	40,515,321	54,432,814	40,515,321
Lease Rental Receivable	-	-	-	-
Credit Cards	-	-	-	-
Pawning	-	-	-	-
Trade Finance	145,656,090	139,318,297	145,656,090	139,318,297
Others	-	-	-	-
Sub Total	200,428,228	180,094,590	200,428,228	180,094,590
Grand Total	1,052,556,350	950,823,949	1,183,301,593	1,076,448,155

Movements in Individual and Collective Impairment during the period for loans and Receivables to other customers				
	BANK		GROUP	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016
	(Rs.'000) (Unaudited)	(Rs. '000) (Audited)	(Rs.'000) (Unaudited)	(Rs. '000) (Audited)
Allowance for Individual impairment				
Opening balance	43,589,172	42,741,371	44,124,522	43,327,819
Charge (Write-back) to income statement	-	-	-	-
Write-off during the year	-	-	-	-
Unwinding adjustment	2,136,398	-	2,136,398	-
Other Movements	521,837	847,801	316,511	796,703
Closing balance	46,247,407	43,589,172	46,577,431	44,124,522
Allowance for Collective impairment				
Opening balance	16,706,676	17,977,941	18,402,340	20,177,173
Subsidiary Acquired During the year	-	-	-	-
Charge (Write-back) to income statement	808,273	(1,291,443)	1,714,217	(1,795,010)
Write-off during the year	(348)	(103,986)	(348)	(103,986)
Other Movements	67,438	124,164	67,438	124,163
Closing balance at	17,582,039	16,706,676	20,183,645	18,402,340
Total Impairment	63,829,446	60,295,848	66,761,076	62,528,862
Due to Other Customers				
Analysis				
Product Wise Analysis - Domestic Currency				
Demand deposit (current accounts)	50,045,065	57,314,951	48,319,790	54,535,183
Savings deposits	412,446,457	408,410,098	415,699,280	411,736,825
Fixed deposits	637,856,752	483,327,818	677,356,316	524,721,914
Other products	2,851,275	2,757,422	7,219,418	2,757,422
Sub Total	1,103,199,549	951,810,289	1,148,594,804	993,751,344
Due to Other Customers				
Product Wise Analysis - Foreign Currency				
Demand deposit (current accounts)	1,411,806	1,348,459	1,411,806	1,348,459
Savings deposits	17,712,630	16,153,206	17,712,630	16,153,206
Fixed deposits	85,886,602	108,480,491	85,886,602	108,480,491
Other products	19,788	19,682	19,788	19,682
Sub Total	105,030,826	126,001,838	105,030,826	126,001,838
Grand Total	1,208,230,375	1,077,812,127	1,253,625,630	1,119,753,182

SELECTED PERFORMANCE INDICATORS

	BANK		GROUP	
	As at 30.06.2017 (Unaudited)	As at 31.12.2016 (Audited)	As at 30.06.2017 (Unaudited)	As at 31.12.2016 (Audited)
Regulatory Capital Adequacy				
Core Capital (Tier 1 Capital), Rs. '000	56,295,182	50,382,257	80,270,891	75,003,099
Total Capital Base, Rs. '000	72,523,150	62,207,116	97,203,127	87,842,601
Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 5%)	10.2	9.8	11.2	11.1
Total capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 10%)	13.2	12.1	13.6	13.0
Assets Quality (Quality of Loan Portfolio)				
Gross Non- Performing Advances Ratio, % (net of Interest in Suspense)	1.9	1.9	1.9	1.9
Net Non- Performing Advances Ratio, % (net of interest in suspense and provisions)	0.7	0.6	0.8	0.7
Profitability				
Interest Margin, %	3.5	3.5	3.9	3.9
Return on Assets (Before Tax) , %	1.6	1.7	1.7	1.9
Return on Equity (After Tax) , %	22.4	27.5	18.7	22.7
Regulatory Liquidity				
Statutory Liquid Assets,				
Domestic Banking Unit Rs.'000	317,921,697	229,148,457		
Off- Shore Banking Unit US\$ ('000)	277,546	202,041		
Statutory Liquid Assets, Ratio % (Minimum Requirement, 20%)				
Domestic Banking Unit	26.9	21.7		
Off- Shore Banking Unit	23.2	22.5		

MEASUREMENT OF FINANCIAL INSTRUMENTS

BANK AS AT 30.06.2017

	HFT (Rs.'000)	Designated at FVTPL (Rs.'000)	HTM (Rs.'000)	Amortised Cost (Rs.'000)	AFS (Rs.'000)	Total (Rs.'000)
ASSETS						
Cash and cash equivalents	-	-	-	40,164,030	-	40,164,030
Balances with Central Banks	-	-	-	70,335,895	-	70,335,895
Placements with Banks	-	-	-	23,068,897	-	23,068,897
Derivative Financial Instruments	-	135,613	-	-	-	135,613
Financial assets held-for-trading	105,515,028	-	-	-	-	105,515,028
Loans and receivables to banks	-	-	-	57,278,164	-	57,278,164
Loans and receivables to other customers	-	-	-	988,726,904	-	988,726,904
Financial investments	-	-	141,370,444	-	4,068,375	145,438,819
Total financial assets	105,515,028	135,613	141,370,444	1,179,573,890	4,068,375	<u>1,430,663,350</u>
LIABILITIES						
Due to banks	-	-	-	138,173,316	-	138,173,316
Derivative Financial Instruments	-	121,037	-	-	-	121,037
Due to other customers	-	-	-	1,208,230,375	-	1,208,230,375
Other Borrowings	-	-	-	28,534,465	-	28,534,465
Subordinated term debts	-	-	-	12,531,728	-	12,531,728
Total financial liabilities	-	121,037	-	1,387,469,884	-	<u>1,387,590,921</u>

MEASUREMENT OF FINANCIAL INSTRUMENTS

BANK AS AT 31.12. 2016

	HFT (Rs.'000)	Designated at FVTPL (Rs.'000)	HTM (Rs.'000)	Amortised Cost (Rs.'000)	AFS (Rs.'000)	Total (Rs.'000)
ASSETS						
Cash and cash equivalents	-	-	-	64,008,639	-	64,008,639
Balances with Central Banks	-	-	-	63,049,516	-	63,049,516
Placements with Banks	-	-	-	32,772,978	-	32,772,978
Derivative Financial Instruments	-	15,057	-	-	-	15,057
Financial assets held-for-trading	46,915,311	-	-	-	-	46,915,311
Loans and receivables to banks	-	-	-	71,528,031	-	71,528,031
Loans and receivables to other customers	-	-	-	890,528,101	-	890,528,101
Financial investments	-	-	96,171,734	-	1,525,839	97,697,573
Total financial assets	46,915,311	15,057	96,171,734	1,121,887,265	1,525,839	<u>1,266,515,206</u>
LIABILITIES						
Due to banks	-	-	-	106,924,276	-	106,924,276
Derivative Financial Instruments	-	72,182	-	-	-	72,182
Due to other customers	-	-	-	1,077,812,127	-	1,077,812,127
Other Borrowings	-	-	-	27,184,535	-	27,184,535
Subordinated term debts	-	-	-	12,531,728	-	12,531,728
Total financial liabilities	-	72,182	-	1,224,452,666	-	<u>1,224,524,848</u>

MEASUREMENT OF FINANCIAL INSTRUMENTS

GROUP AS AT 30.06.2017

	HFT (Rs.'000)	Designated at FVTPL (Rs.'000)	HTM (Rs.'000)	Amortised Cost (Rs.'000)	AFS (Rs.'000)	Total (Rs.'000)
ASSETS						
Cash and cash equivalents	-	-	-	44,261,611	-	44,261,611
Balances with Central Banks	-	-	-	70,335,895	-	70,335,895
Placements with Banks	-	-	-	23,068,897	-	23,068,897
Derivative Financial Instruments	-	135,613	-	-	-	135,613
Financial assets held-for-trading	106,016,065	-	-	-	-	106,016,065
Loans and receivables to banks	-	-	-	58,758,928	-	58,758,928
Loans and receivables to other customers	-	-	-	1,116,540,517	-	1,116,540,517
Financial investments	-	-	145,362,359	-	5,354,562	150,716,921
Total financial assets	106,016,065	135,613	145,362,359	1,312,965,848	5,354,562	<u>1,569,834,447</u>
LIABILITIES						
Due to banks	-	-	-	165,263,273	-	165,263,273
Derivative Financial Instruments	-	121,037	-	-	-	121,037
Due to other customers	-	-	-	1,253,625,630	-	1,253,625,630
Other Borrowings	-	-	-	41,789,786	-	41,789,786
Subordinated term debts	-	-	-	34,228,850	-	34,228,850
Total financial liabilities	-	121,037	-	1,494,907,539	-	<u>1,495,028,576</u>

MEASUREMENT OF FINANCIAL INSTRUMENTS

GROUP AS AT 31.12. 2016

	HFT (Rs.'000)	Designated at FVTPL (Rs.'000)	HTM (Rs.'000)	Amortised Cost (Rs.'000)	AFS (Rs.'000)	Total (Rs.'000)
ASSETS						
Cash and cash equivalents	-	-	-	67,695,584	-	67,695,584
Balances with Central Banks	-	-	-	63,049,516	-	63,049,516
Placements with Banks	-	-	-	32,772,978	-	32,772,978
Derivative Financial Instruments	-	21,196	-	-	-	21,196
Financial assets held-for-trading	47,455,844	-	-	-	-	47,455,844
Loans and receivables to banks	-	-	-	72,205,378	-	72,205,378
Loans and receivables to other customers	-	-	-	1,013,921,293	-	1,013,921,293
Financial investments	-	-	101,069,681	-	3,258,308	104,327,989
Total financial assets	47,455,844	21,196	101,069,681	1,249,644,749	3,258,308	<u>1,401,449,778</u>
LIABILITIES						
Due to banks	-	-	-	130,122,246	-	130,122,246
Derivative Financial Instruments	-	72,182	-	-	-	72,182
Due to other customers	-	-	-	1,119,753,182	-	1,119,753,182
Other Borrowings	-	-	-	42,296,376	-	42,296,376
Subordinated term debts	-	-	-	36,525,796	-	36,525,796
Total financial liabilities	-	72,182	-	1,328,697,600	-	<u>1,328,769,782</u>

CERTIFICATION

We the undersigned being the Chairman, Chief Executive Officer and the Head of Finance of the Bank jointly.

- (a) The above statement 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

(Sgd.)
N. Vasantha Kumar
Chief Executive Officer/General Manager

(Sgd.)
Hemasiri Fernando
Chairman

27.07.2017
Colombo.