



**PEOPLE'S
BANK**

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30TH SEPTEMBER

2018

FITCH RATING AA+ (LKA)

INCOME STATEMENT

FOR THE PERIOD ENDED 30TH SEPTEMBER

	BANK			GROUP		
	2018 (Rs. '000) (Unaudited)	2017 (Rs. '000) (Unaudited)	Change %	2018 (Rs. '000) (Unaudited)	2017 (Rs. '000) (Unaudited)	Change %
Gross Income	134,810,637	118,728,068	13.5	160,035,561	140,057,901	14.3
Interest income	124,176,354	109,546,169	13.4	146,245,615	127,966,102	14.3
Interest expenses	(80,405,030)	(73,048,729)	10.1	(90,798,845)	(82,495,925)	10.1
Net Interest Income	43,771,324	36,497,440	19.9	55,446,770	45,470,177	21.9
Fee and commission income	5,096,634	3,569,685	42.8	5,689,415	4,020,434	41.5
Fee and commission expenses	(259,955)	(183,097)	42.0	(259,955)	(183,097)	42.0
Net Fee and Commission Income	4,836,679	3,386,588	42.8	5,429,460	3,837,337	41.5
Net gain from trading	3,101,384	2,276,043	36.3	3,063,056	2,312,939	32.4
Other operating income (net)	2,436,265	3,336,171	(27.0)	5,037,475	5,758,426	(12.5)
Total Operating Income	54,145,652	45,496,242	19.0	68,976,761	57,378,879	20.2
Impairment for loans and other losses	(6,594,226)	(2,821,757)	133.7	(8,026,705)	(3,885,128)	106.6
Individual impairment	(2,039,447)	(587,611)	247.1	(1,720,466)	(406,738)	323.0
Collective impairment	(4,478,036)	(2,105,204)	112.7	(5,495,972)	(3,363,757)	63.4
Other	(76,743)	(128,942)	(40.5)	(810,267)	(114,633)	606.8
Net Operating Income	47,551,426	42,674,485	11.4	60,950,056	53,493,751	13.9
Personnel Expenses	(15,042,445)	(12,569,031)	19.7	(17,858,085)	(14,997,611)	19.1
Depreciation and amortisation	(1,257,029)	(834,417)	50.6	(1,485,871)	(1,045,416)	42.1
Other expenses	(9,457,788)	(7,370,264)	28.3	(13,235,532)	(11,280,640)	17.3
Operating Profit before Value Added Tax (VAT) & Nation Building Tax (NBT)	21,794,164	21,900,773	(0.5)	28,370,568	26,170,084	8.4
VAT & NBT on Financial Services	(4,749,735)	(4,780,148)	(0.6)	(6,015,371)	(5,591,854)	7.6
Profit before Tax	17,044,429	17,120,625	(0.4)	22,355,197	20,578,230	8.6
Income tax expenses	(5,487,571)	(6,160,264)	(10.9)	(7,117,857)	(7,304,011)	(2.5)
Profit for the period	11,556,858	10,960,361	5.4	15,237,340	13,274,219	14.8
Profit Attributable to :						
Equity Holders of the Bank	11,556,858	10,960,361	5.4	14,059,415	12,465,937	12.8
Non-controlling interests	-	-	-	1,177,925	808,282	45.7
	11,556,858	10,960,361	5.4	15,237,340	13,274,219	14.8
Earnings per Share on Profit						
Basic earnings per ordinary share (Rs.)	11,557	10,960	5.4	14,059	12,466	12.8
Diluted earnings per ordinary share (Rs.)	47	76	(37.8)	57	87	(33.7)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30TH SEPTEMBER

	BANK		GROUP	
	2018 (Rs. '000) (Unaudited)	2017 (Rs. '000) (Unaudited)	2018 (Rs. '000) (Unaudited)	2017 (Rs. '000) (Unaudited)
Profit for the period	11,556,858	10,960,361	15,237,340	13,274,219
Other Comprehensive Income Net of Tax				
Net Actuarial Gains and Losses on Defined Benefit Plans	-	-	(25,625)	(23,755)
Deferred Tax Effect on Gratuity	902,335	-	908,912	6,101
Gains on Revaluation of Land and Buildings	-	-	277,822	-
Deferred Tax Effect on Revaluation of Land and Building	-	-	(84,563)	-
Tax Expense Relating to Components of Other Comprehensive Income	-	-	-	-
Net Gains and Losses on Re-Measuring Available-for-Sale Financial Assets	125,420	(109,604)	59,294	(123,754)
Gains and Losses on Derivative Financial Assets	-	-	-	(15,715)
Net Gains/(Losses) on translating the financial statements of foreign operation	-	-	193,411	-
Other Comprehensive Income for the period, Net of Taxes	1,027,755	(109,604)	1,329,251	(157,123)
Total Comprehensive Income for the period	12,584,613	10,850,757	16,566,591	13,117,096
Attributable to :				
Equity Holders of the Bank	12,584,613	10,850,757	15,314,111	12,320,652
Non-Controlling Interests	-	-	1,252,480	796,444
	12,584,613	10,850,757	16,566,591	13,117,096

STATEMENT OF FINANCIAL POSITION

AS AT

	BANK			GROUP		
	30.09.2018 (Rs.'000) (Unaudited)	31.12.2017 (Rs. '000) (Audited)	Change %	30.09.2018 (Rs.'000) (Unaudited)	31.12.2017 (Rs. '000) (Audited)	Change %
Assets						
Cash and Cash Equivalents	52,025,850	68,958,012	(24.6)	52,843,496	69,675,003	(24.2)
Balances with Central Bank of Sri Lanka	74,159,381	65,689,278	12.9	74,159,381	65,689,278	12.9
Placements with banks	3,596,604	13,458,639	(73.3)	7,314,465	18,944,087	(61.4)
Derivative Financial Instruments	692,191	334,230	107.1	692,191	334,230	107.1
Other Financial assets held-for-trading	84,217,983	53,042,557	58.8	84,431,430	53,354,989	58.2
Loans and receivables to Banks	89,677,899	86,097,515	4.2	89,888,472	86,436,113	4.0
Loans and receivables to other customers	1,181,802,328	1,012,642,714	16.7	1,329,494,609	1,143,766,774	16.2
Financial investments - Available-for-sale	6,159,413	3,415,344	80.3	7,219,696	4,483,905	61.0
Financial investments - Held-to-maturity	165,140,690	112,351,039	47.0	172,024,029	117,137,814	46.9
Investments in subsidiaries	1,325,766	1,325,766	-	-	-	-
Goodwill and intangible assets	434,202	225,058	92.9	891,333	679,663	31.1
Property, plant and equipment	26,084,576	25,047,501	4.1	35,164,960	33,757,975	4.2
Investment properties	1,265,182	1,222,299	3.5	181,128	177,501	2.0
Prepaid Leases	467,595	483,886	(3.4)	553,192	483,886	14.3
Other assets	26,138,561	22,805,270	14.6	27,461,153	24,157,374	13.7
Total Assets	<u>1,713,188,221</u>	<u>1,467,099,108</u>	16.8	<u>1,882,319,535</u>	<u>1,619,078,592</u>	16.3
Liabilities						
Due to banks	132,267,322	80,676,350	63.9	155,968,716	100,628,552	55.0
Derivative Financial Instruments	1,014,611	273,975	270.3	1,014,611	273,975	270.3
Due to other customers	1,433,428,018	1,244,002,768	15.2	1,502,192,876	1,305,625,750	15.1
Other Borrowings	15,753,369	24,380,962	(35.4)	25,012,645	33,634,482	(25.6)
Current tax liabilities	3,631,802	4,064,907	(10.7)	3,991,877	4,367,318	(8.6)
Net Deferred tax liabilities	3,367,202	4,455,617	(24.4)	7,049,990	7,277,032	(3.1)
Other liabilities	24,017,598	19,256,075	24.7	33,728,919	28,380,411	18.8
Subordinated term debts	12,531,728	12,531,728	-	33,512,411	32,447,923	3.3
Total Liabilities	<u>1,626,011,650</u>	<u>1,389,642,382</u>	17.0	<u>1,762,472,045</u>	<u>1,512,635,443</u>	16.5
Equity						
Stated capital/Assigned capital	12,201,998	12,201,998	-	12,201,998	12,201,998	-
Statutory reserve Fund	5,814,744	5,814,744	-	5,814,744	5,814,744	-
Other reserves	25,243,205	25,117,785	0.5	27,280,454	26,913,806	1.4
Retained earnings	43,916,624	34,322,199	28.0	64,274,010	52,191,314	23.2
Total shareholders' equity	<u>87,176,571</u>	<u>77,456,726</u>	12.5	<u>109,571,206</u>	<u>97,121,862</u>	12.8
Non-controlling interests	-	-	-	10,276,284	9,321,287	10.2
Total equity	<u>87,176,571</u>	<u>77,456,726</u>	12.5	<u>119,847,490</u>	<u>106,443,149</u>	12.6
Total equity and liabilities	<u>1,713,188,221</u>	<u>1,467,099,108</u>	16.8	<u>1,882,319,535</u>	<u>1,619,078,592</u>	16.3
Contingent Liabilities and Commitments	367,663,382	303,344,150	21.2	368,439,608	304,101,876	21.2
No of Employees	8,173	8,454		11,340	11,396	
No of Branches	738	737		852	851	

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30TH SEPTEMBER

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 01.01.2017	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 year	-	-	-	-	-	-	18,249,777	18,249,777
Changes in Fair Value in AFS Investments	-	-	-	-	-	(177,930)	-	(177,930)
Reversal of AFS reserve on disposal of AFS Investment	-	-	-	-	-	17,289	-	17,289
Net Defined Benefit obligation	-	-	-	-	-	-	(3,222,626)	(3,222,626)
Revaluation Surplus of Land and Building	-	-	-	6,568,522	-	-	-	6,568,522
Deffered tax effect on Revaluation Surplus	-	-	-	(3,366,405)	-	-	-	(3,366,405)
Deffered tax effect on defined benefit plans	-	-	-	-	-	-	(41,067)	(41,067)
Increase of assigned capital	-	5,000,000	-	-	-	-	-	5,000,000
Reversal of Revaluation Gain on Disposed Property	-	-	-	-	-	-	-	-
Transfer to Reserve during the Year	-	-	912,489	-	873,864	-	(1,786,353)	-
Transfers From Retained Earnings during the year	-	-	-	6,590	-	-	(6,590)	-
Special levy to Treasury/ Dividend	-	-	-	-	-	-	(5,219,690)	(5,219,690)
Balance as at 01.01.2018	49,998	12,152,000	5,814,744	14,051,911	10,952,737	113,137	34,322,199	77,456,726
Profit for the period	-	-	-	-	-	-	11,556,858	11,556,858
Changes in Fair Value in AFS Investments	-	-	-	-	-	125,420	-	125,420
Reversal of AFS reserve upon Impairment of AFS Investment	-	-	-	-	-	-	-	-
Deffered tax effect on defined benefit plans	-	-	-	-	-	-	902,335	902,335
Special levy to Treasury/ Dividend	-	-	-	-	-	-	(2,864,768)	(2,864,768)
Balance as at 30.09.2018	49,998	12,152,000	5,814,744	14,051,911	10,952,737	238,557	43,916,624	87,176,571

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30TH SEPTEMBER

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 01.01.2017	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 Year	-	-	-	-	-	-	-	19,295,734	19,295,734	1,215,187	20,510,921
Changes in Fair Value in AFS Investments	-	-	-	-	-	(177,011)	-	-	(177,011)	1,680	(175,331)
Reversal of AFS reserve on disposal of AFS Investment	-	-	-	-	-	17,289	-	-	17,289	-	17,289
Net Defined Benefit obligation	-	-	-	-	-	-	-	(3,240,752)	(3,240,752)	(6,082)	(3,246,834)
Revaluation Surplus of Land and Building	-	-	-	7,582,372	-	-	-	-	7,582,372	166,683	7,749,055
Deffered tax effect on Revaluation Surplus	-	-	-	(3,640,880)	-	-	-	-	(3,640,880)	(91,492)	(3,732,372)
Gains and losses on derivative financial Assets	-	-	-	-	-	-	(11,787)	-	(11,787)	(3,928)	(15,715)
Deffered tax effect on defined benefit plans	-	-	-	-	-	-	-	(36,570)	(36,570)	1,510	(35,060)
Increase of assigned capital	-	5,000,000	-	-	-	-	-	-	5,000,000	-	5,000,000
Transfer to Reserve during the period	-	-	912,489	-	873,864	-	-	(1,786,353)	-	-	-
Transfers From Retained Earnings during the year	-	-	-	6,590	-	-	-	(6,590)	-	-	-
Special levy to Treasury/ Dividend	-	-	-	-	-	-	-	(5,219,690)	(5,219,690)	-	(5,219,690)
Movement Due to changes in ownership	-	-	-	-	(6,626)	-	-	-	(6,626)	987,624	980,998
Dividends Paid	-	-	-	-	-	-	-	-	-	(581,222)	(581,222)
Balance as at 01.01.2018	49,998	12,152,000	5,814,744	15,831,237	10,946,111	136,458	-	52,191,314	97,121,862	9,321,287	106,443,149
Profit for the period	-	-	-	-	-	-	-	14,059,415	14,059,415	1,177,925	15,237,340
Changes in Fair Value in AFS Investments	-	-	-	-	-	76,645	-	-	76,645	(17,351)	59,294
Reversal of AFS reserve upon Impairment of AFS Investment	-	-	-	-	-	-	-	-	-	-	-
Net Gains/(Losses) on translating the financial statements of foreign operation	-	-	-	-	145,058	-	-	-	145,058	48,353	193,411
Net Defined Benefit obligation	-	-	-	-	-	-	-	(19,219)	(19,219)	(6,406)	(25,625)
Revaluation Surplus of Land and Building	-	-	-	208,366	-	-	-	-	208,366	69,456	277,822
Deffered tax effect on Revaluation Surplus	-	-	-	(63,422)	-	-	-	-	(63,422)	(21,141)	(84,563)
Deffered tax effect on defined benefit plans	-	-	-	-	-	-	-	907,268	907,268	1,644	908,912
Special levy to Treasury/ Dividend	-	-	-	-	-	-	-	(2,864,768)	(2,864,768)	-	(2,864,768)
Dividends Paid	-	-	-	-	-	-	-	-	-	(297,483)	(297,483)
Balance as at 30.09.2018	49,998	12,152,000	5,814,744	15,976,181	11,091,169	213,103	-	64,274,010	109,571,206	10,276,284	119,847,490

CASH FLOW STATEMENT				
FOR THE PERIOD ENDED 30TH SEPTEMBER				
	BANK		GROUP	
	2018 (Rs. '000) (Unaudited)	2017 (Rs. '000) (Unaudited)	2018 (Rs. '000) (Unaudited)	2017 (Rs. '000) (Unaudited)
Cash flows from operating activities				
Profit before tax	17,044,429	17,120,625	22,355,197	20,578,230
Adjustment for				
Non-cash items included in profits before tax	8,609,208	3,266,292	10,326,412	4,512,373
Changes in operating assets	(215,303,953)	(130,215,105)	(231,585,297)	(137,430,959)
Changes in operating liabilities	236,101,896	138,637,141	247,753,493	147,182,396
Dividend income from subsidiaries and others	(762,428)	(751,802)	(208,130)	(301,528)
Interest expense on subordinated debt	1,224,760	1,163,542	1,224,760	1,163,542
Contribution paid to defined benefit plans/Gratuity	1,125,000	1,085,405	1,125,000	1,085,405
Tax paid	(6,106,756)	(3,749,151)	(6,811,428)	(5,223,267)
Net Cash Generated from Operating Activities	41,932,156	26,556,947	44,180,008	31,566,191
Cash Flows from Investing Activities				
Purchase of investment property	(44,160)	-	(4,904)	-
Purchase of property, plant and equipment	(2,200,813)	(3,111,976)	(2,511,407)	(2,208,918)
Proceeds from the sale of property, plant and equipment	46,009	7,526	66,869	26,241
Purchase of financial investments	(53,054,223)	(49,719,182)	(55,150,787)	(49,997,770)
Net purchase of intangible assets	(284,031)	(102,711)	(296,893)	(131,887)
Dividends received from investment in subsidiaries and others	762,428	751,802	208,130	301,528
Net Cash (used in) from Investing Activities	(54,774,790)	(52,174,541)	(57,688,992)	(52,010,806)
Cash Flows from Financing Activities				
Increase of assigned capital	-	5,000,000	-	5,000,000
Net Proceed received / (Repayment) of subordinated debt	-	-	1,064,488	(3,561,846)
Interest paid on subordinated debt	(1,224,760)	(1,163,542)	(1,224,760)	(1,163,542)
Dividend paid to non-controlling interest	-	-	(297,483)	(284,983)
Dividend/Levy paid to holders of other equity instruments	(2,864,768)	(2,164,768)	(2,864,768)	(2,164,768)
Net Cash from Financial Activities	(4,089,528)	1,671,690	(3,322,523)	(2,175,139)
Net Increase/(Decrease) in Cash & Cash Equivalents	(16,932,162)	(23,945,904)	(16,831,507)	(22,619,754)
Cash and cash equivalents at the beginning of the year	68,958,012	64,008,639	69,675,003	67,695,584
Cash and cash equivalents at the end of the period	52,025,850	40,062,735	52,843,496	45,075,830

ADDITIONAL DISCLOSURES

	BANK		GROUP	
	30.09.2018	31.12.2017	30.09.2018	31.12.2017
	(Rs.'000) (Unaudited)	(Rs.'000) (Audited)	(Rs.'000) (Unaudited)	(Rs.'000) (Audited)
Loans and Receivables to Other Customers				
Gross loans and receivables	1,249,024,673	1,074,247,652	1,401,160,464	1,209,116,267
(Less) : Individual impairment	(46,952,945)	(44,913,498)	(47,392,957)	(45,672,491)
Collective impairment	(20,269,400)	(16,691,440)	(24,272,898)	(19,677,002)
Net loans and receivables	1,181,802,328	1,012,642,714	1,329,494,609	1,143,766,774
Analysis -Domestic Currency				
By product				
Overdrafts	129,573,928	116,732,111	127,908,237	115,258,664
Term loans	672,420,174	599,715,216	724,396,480	641,740,832
Lease Rental Receivable	-	-	94,750,059	89,423,716
Credit Cards	2,675,860	2,212,132	2,675,860	2,212,132
Pawning	146,913,855	136,475,059	146,987,680	136,532,611
Trade Finance	45,213,897	37,417,317	45,213,897	37,417,317
Others	18,968,341	19,374,799	25,969,633	24,209,977
Sub Total	1,015,766,055	911,926,634	1,167,901,846	1,046,795,249
Analysis -Foreign Currency				
By product				
Overdrafts	1,469,696	902,371	1,469,696	902,371
Term loans	63,986,483	57,803,788	63,986,483	57,803,788
Lease Rental Receivable	-	-	-	-
Credit Cards	-	-	-	-
Pawning	-	-	-	-
Trade Finance	167,802,439	103,614,859	167,802,439	103,614,859
Others	-	-	-	-
Sub Total	233,258,618	162,321,018	233,258,618	162,321,018
Grand Total	1,249,024,673	1,074,247,652	1,401,160,464	1,209,116,267

Movements in Individual and Collective Impairment during the period for loans and Receivables to other customers

	BANK		GROUP	
	30.09.2018	31.12.2017	30.09.2018	31.12.2017
	(Rs.'000) (Unaudited)	(Rs.'000) (Audited)	(Rs.'000) (Unaudited)	(Rs.'000) (Audited)
Allowance for Individual impairment				
Opening balance	44,913,498	43,589,172	45,672,491	44,124,522
Charge (Write-back) to income statement	2,039,447	1,324,326	1,720,466	1,547,969
Write-off during the year	-	-	-	-
Other Movements	-	-	-	-
Closing balance	46,952,945	44,913,498	47,392,957	45,672,491
Allowance for Collective impairment				
Opening balance	16,691,440	16,706,676	19,677,002	18,402,340
Charge (Write-back) to income statement	4,478,036	1,354,040	5,495,972	2,643,938
Reversals made during the year	(1,107,420)	(1,329,906)	(1,107,420)	(1,329,906)
Write-off during the year	(80,185)	(104,512)	(80,185)	(104,512)
Other Movements	287,529	65,142	287,529	65,142
Closing balance at	20,269,400	16,691,440	24,272,898	19,677,002
Total Impairment	67,222,345	61,604,938	71,665,855	65,349,493
Due to Other Customers				
Analysis				
Product Wise Analysis - Domestic Currency				
Demand deposit (current accounts)	54,476,209	60,197,593	52,624,152	58,161,510
Savings deposits	447,860,826	433,277,185	452,709,201	437,157,640
Fixed deposits	838,221,991	623,987,541	898,438,636	678,521,081
Other products	3,239,091	3,865,085	8,790,986	9,110,155
Sub Total	1,343,798,117	1,121,327,404	1,412,562,975	1,182,950,386
Product Wise Analysis - Foreign Currency				
Demand deposit (current accounts)	3,126,382	751,181	3,126,382	751,181
Savings deposits	18,100,104	29,379,443	18,100,104	29,379,443
Fixed deposits	68,361,123	92,523,266	68,361,123	92,523,266
Other products	42,292	21,474	42,292	21,474
Sub Total	89,629,901	122,675,364	89,629,901	122,675,364
Grand Total	1,433,428,018	1,244,002,768	1,502,192,876	1,305,625,750

SELECTED PERFORMANCE INDICATORS

	BANK		GROUP	
	As at 30.09.2018 (Unaudited)	As at 31.12.2017 (Audited)	As at 30.09.2018 (Unaudited)	As at 31.12.2017 (Audited)
Regulatory Capital Adequacy				
Common Equity Tier 1 Capital [Rs. 000]	67,967,765	62,084,793	91,115,209	85,077,314
Tier 1 Capital [Rs. 000]	67,967,765	62,084,793	91,115,209	85,077,314
Total Capital [Rs. 000]	92,110,177	77,554,147	116,013,685	101,485,804
Common Equity Tier 1 Ratio (Min. requirement - 2018-7.375%, 2017-6.25%)	10.18	10.82	10.70	11.49
Tier 1 Capital Ratio (Min. requirement - 2018-8.875%, 2017-7.75%)	10.18	10.82	10.70	11.49
Total Capital Ratio (Min. requirement - 2018-12.875%, 2017-11.750%)	13.80	13.51	13.63	13.71
Assets Quality (Quality of Loan Portfolio)				
Gross Non- Performing Advances Ratio, % (net of Interest in Suspense)	2.69	1.87	2.85	2.03
Net Non- Performing Advances Ratio, % (net of interest in suspense and provisions)	1.56	0.72	1.83	0.96
Profitability				
Interest Margin, %	3.67	3.64	4.22	4.10
Return on Assets (Before Tax), %	1.43	1.87	1.70	1.95
Return on Equity (After Tax), %	18.72	26.62	17.96	21.41
Regulatory Liquidity				
Statutory Liquid Assets				
Domestic Banking Unit Rs.'000	365,732,292	298,497,361		
Off- Shore Banking Unit US\$ ('000)	302,681	242,692		
Statutory Liquid Assets, Ratio % (Minimum Requirement, 20%)				
Domestic Banking Unit, %	25.33	24.07		
Off- Shore Banking Unit, %	31.67	32.35		
Liquidity Coverage Ratio (%) (Minimum Requirement, 2018- 90%,2017-,80%)				
Liquidity Coverage Ratio - Rupee	127.60	104.00		
Liquidity Coverage Ratio - All Currency	101.72	95.08		

MEASUREMENT OF FINANCIAL INSTRUMENTS

BANK AS AT 30.09.2018

	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	-	-	-	52,025,850	-	52,025,850
Balances with Central Banks	-	-	-	74,159,381	-	74,159,381
Placements with Banks	-	-	-	3,596,604	-	3,596,604
Derivative Financial Instruments	-	692,191	-	-	-	692,191
Financial assets held-for-trading	84,217,983	-	-	-	-	84,217,983
Loans and receivables to banks	-	-	-	89,677,899	-	89,677,899
Loans and receivables to other customers	-	-	-	1,181,802,328	-	1,181,802,328
Financial investments	-	-	165,140,690	-	6,159,413	171,300,103
Current tax	-	-	-	-	-	-
Total financial assets	84,217,983	692,191	165,140,690	1,401,262,062	6,159,413	1,657,472,339
LIABILITIES						
Due to banks	-	-	-	132,267,322	-	132,267,322
Derivative Financial Instruments	-	1,014,611	-	-	-	1,014,611
Financial liabilities designated at fair value through profit or loss	-	-	-	1,433,428,018	-	1,433,428,018
Due to other customers	-	-	-	15,753,369	-	15,753,369
Other Borrowings	-	-	-	12,531,728	-	12,531,728
Subordinated term debts	-	-	-	-	-	-
Total financial liabilities	-	1,014,611	-	1,593,980,437	-	1,594,995,048

MEASUREMENT OF FINANCIAL INSTRUMENTS

BANK AS AT 31.12. 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	-	-	-	68,958,012	-	68,958,012
Balances with Central Banks	-	-	-	65,689,278	-	65,689,278
Placements with Banks	-	-	-	13,458,639	-	13,458,639
Derivative Financial Instruments	-	334,230	-	-	-	334,230
Financial assets held-for-trading	53,042,557	-	-	-	-	53,042,557
Loans and receivables to banks	-	-	-	86,097,515	-	86,097,515
Loans and receivables to other customers	-	-	-	1,012,642,714	-	1,012,642,714
Financial investments	-	-	112,351,039	-	3,415,344	115,766,383
Total financial assets	53,042,557	334,230	112,351,039	1,246,846,158	3,415,344	1,415,989,328
LIABILITIES						
Due to banks	-	-	-	80,676,350	-	80,676,350
Derivative Financial Instruments	-	273,975	-	-	-	273,975
Financial liabilities designated at fair value through profit or loss	-	-	-	1,244,002,768	-	1,244,002,768
Due to other customers	-	-	-	-	-	-
Other Borrowings	-	-	-	24,380,962	-	24,380,962
Subordinated term debts	-	-	-	12,531,728	-	12,531,728
Total financial liabilities	-	273,975	-	1,361,591,808	-	1,361,865,783

MEASUREMENT OF FINANCIAL INSTRUMENTS

GROUP AS AT 30.09.2018

	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	-	-	-	52,843,496	-	52,843,496
Balances with Central Banks	-	-	-	74,159,381	-	74,159,381
Placements with Banks	-	-	-	7,314,465	-	7,314,465
Derivative Financial Instruments	-	692,191	-	-	-	692,191
Financial assets held-for-trading	84,431,430	-	-	-	-	84,431,430
Loans and receivables to banks	-	-	-	89,888,472	-	89,888,472
Loans and receivables to other customers	-	-	-	1,329,494,609	-	1,329,494,609
Financial investments	-	-	172,024,029	-	7,219,696	179,243,725
Total financial assets	84,431,430	692,191	172,024,029	1,553,700,423	7,219,696	1,818,067,769
LIABILITIES						
Due to banks	-	-	-	155,968,716	-	155,968,716
Derivative Financial Instruments	-	1,014,611	-	-	-	1,014,611
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-	-
Due to other customers	-	-	-	1,502,192,876	-	1,502,192,876
Other Borrowings	-	-	-	25,012,645	-	25,012,645
Subordinated term debts	-	-	-	33,512,411	-	33,512,411
Total financial liabilities	-	1,014,611	-	1,716,686,648	-	1,717,701,259

MEASUREMENT OF FINANCIAL INSTRUMENTS

GROUP AS AT 31.12. 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	-	-	-	69,675,003	-	69,675,003
Balances with Central Banks	-	-	-	65,689,278	-	65,689,278
Placements with Banks	-	-	-	18,944,087	-	18,944,087
Derivative Financial Instruments	-	334,230	-	-	-	334,230
Financial assets held-for-trading	53,354,989	-	-	-	-	53,354,989
Loans and receivables to banks	-	-	-	86,436,113	-	86,436,113
Loans and receivables to other customers	-	-	-	1,143,766,774	-	1,143,766,774
Financial investments	-	-	117,137,814	-	4,483,905	121,621,719
Total financial assets	53,354,989	334,230	117,137,814	1,384,511,255	4,483,905	1,559,822,193
LIABILITIES						
Due to banks	-	-	-	100,628,552	-	100,628,552
Derivative Financial Instruments	-	273,975	-	-	-	273,975
Financial liabilities designated at fair value through profit or loss	-	-	-	1,305,625,750	-	1,305,625,750
Due to other customers	-	-	-	33,634,482	-	33,634,482
Other Borrowings	-	-	-	-	-	-
Subordinated term debts	-	-	-	32,447,923	-	32,447,923
Total financial liabilities	-	273,975	-	1,472,336,707	-	1,472,610,682

SRI LANKA ACCOUNTING STANDARD - SLFRS 9 ON “FINANCIAL INSTRUMENTS”

Sri Lanka Accounting Standard, SLFRS 9 - Financial Instruments is effective for annual periods beginning on or after January 01, 2018. However, the Bank has prepared Interim Financial Statements in accordance with “LKAS 39 - Financial Instruments Recognition and Measurement as permitted by the Statement of Alternative Treatment (SoAT) as issued by the Institute of Chartered Accountants of Sri Lanka.

Based on the assessment undertaken at December 31, 2017, which has not been audited, the Bank’s total impairment provision as computed in accordance with LKAS 39-is reasonably expected not to increase by more than 10.0% of total provisions as at that date, on migration to SLFRS 9. The Bank is in the process of finalizing its September 30, 2018 impact.

CERTIFICATION

We the undersigned being the Chairperson, 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

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

(Sgd.)
Sujatha Cooray
Chairperson

29.11.2018
Colombo.

