



FITCH RATING AA+ (LKA)

RAM RATING AAA

PEOPLE'S BANK

FINANCIAL STATEMENTS

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER

	BANK			GROUP		
	2014 (Rs. '000) (Audited)	2013 (Rs. '000) (Audited)	Change %	2014 (Rs. '000) (Audited)	2013 (Rs. '000) (Audited)	Change %
Gross Income	96,377,482	120,456,473	(20.0)	118,640,807	139,956,605	(15.2)
Interest income	84,479,961	110,440,562	(23.5)	104,180,951	129,204,762	(19.4)
Interest expenses	(54,362,126)	(73,791,102)	(26.3)	(64,211,046)	(84,244,882)	(23.8)
Net Interest Income	30,117,835	36,649,460	(17.8)	39,969,905	44,959,880	(11.1)
Fee and commission income	3,820,242	3,478,015	9.8	7,733,299	5,590,860	38.3
Fee and commission expenses	(121,627)	(135,446)	(10.2)	(121,627)	(135,446)	(10.2)
Net Fee and Commission Income	3,698,615	3,342,569	10.7	7,611,672	5,455,414	39.5
Net gain from trading	2,508,352	2,803,219	(10.5)	2,648,889	2,819,045	(6.0)
Net gain/(loss) from financial investment	-	-	-	-	-	-
Other operating income (net)	5,568,927	3,734,677	49.1	4,077,669	2,341,938	74.1
Total Operating Income	41,893,729	46,529,925	(10.0)	54,308,135	55,576,277	(2.3)
Impairment for loans and other losses	1,430,440	(13,716,320)	(110.4)	117,980	(14,822,427)	(100.8)
Individual impairment	(1,560,111)	(1,935,783)	-	(1,891,100)	(2,064,073)	-
Collective impairment	2,925,019	(11,715,005)	-	2,694,302	(11,858,021)	-
Other	65,532	-	-	(685,222)	-	-
Net Operating Income	43,324,169	32,813,605	32.0	54,426,115	40,753,850	33.5
Personnel Expenses	(13,083,142)	(11,958,251)	9.4	(14,849,137)	(13,371,475)	11.1
Depreciation and amortisation	(944,568)	(873,625)	8.1	(1,244,037)	(1,134,706)	9.6
Other expenses	(8,427,035)	(7,970,988)	5.7	(12,706,593)	(10,742,376)	18.3
Operating Profit before Value Added Tax (VAT)	20,869,424	12,010,740	73.8	25,626,348	15,505,293	65.3
Value Added Tax (VAT) on financial services	(3,638,367)	(1,706,458)	113.2	(3,978,924)	(2,015,923)	97.4
Operating Profit after Value Added Tax (VAT)	17,231,057	10,304,282	67.2	21,647,424	13,489,370	60.5
Share of profits/(loss) of associates	-	-	-	(19,872)	(76,978)	(74.2)
Profit before Tax	17,231,057	10,304,282	67.2	21,627,552	13,412,392	61.3
Tax expenses	(3,012,245)	(2,816,395)	7.0	(4,674,356)	(4,248,210)	10.0
Profit for the year	14,218,812	7,487,887	89.9	16,953,196	9,164,182	85.0
Profit Attributable to :						
Equity Holders of the Bank	14,218,812	7,487,887	89.9	15,896,075	8,364,337	90.0
Non-controlling interests	-	-	-	1,057,121	799,845	32.2
	14,218,812	7,487,887	89.9	16,953,196	9,164,182	85.0
Earnings per Share on Profit						
Basic earnings per ordinary share	14,219	7,488	89.9	15,896	8,364	90.0
Diluted earnings per ordinary share	99	52	89.9	110	58	90.0

STATEMENT OF COMPREHENSIVE INCOME				
FOR THE YEAR ENDED 31 DECEMBER				
	BANK		GROUP	
	2014 (Rs.'000) (Audited)	2013 (Rs.'000) (Audited)	2014 (Rs.'000) (Audited)	2013 (Rs.'000) (Audited)
Profit for Year ended	14,218,812	7,487,887	16,953,196	9,164,182
Other Comprehensive Income net of Tax				
Actuarial gains and losses on defined benefit plans	(1,066,589)	(715,204)	(1,124,163)	(715,204)
Deferred tax effect on defined benefit plan liability	(77,795)	-	(58,094)	-
Gains and losses on re-measuring available-for-sale financial assets	77,970	(133,988)	148,829	(132,690)
Gain on revaluation of land and buildings	-	5,934,089	(10,439)	6,567,654
Gain on revaluation of land and buildings - Associate	-	-	-	182,475
Gains and losses on derivative financial Assets	-	-	(21,062)	-
Less:				
Tax expense relating to components of other comprehensive income	-	(521,038)	-	(698,436)
Other Comprehensive Income for the year, net of Taxes	(1,066,414)	4,563,859	(1,064,929)	5,203,799
Total Comprehensive Income for year ended	13,152,398	12,051,746	15,888,267	14,367,981
Attributable to :				
Equity Holders of the Bank	13,152,398	12,051,746	14,830,774	13,453,770
Non-controlling interests	-	-	1,057,493	914,211
	13,152,398	12,051,746	15,888,267	14,367,981

STATEMENT OF FINANCIAL POSITION

AS AT

	BANK			GROUP		
	31.12.2014 (Rs.'000) (Audited)	31.12.2013 (Rs. '000) (Audited)	Change %	31.12.2014 (Rs.'000) (Audited)	31.12.2013 (Rs. '000) (Audited)	Change %
Assets						
Cash and Cash Equivalents	37,355,549	18,774,605	99.0	39,418,068	20,803,240	89.5
Balances with Central Bank of Sri Lanka	43,584,872	40,370,892	8.0	43,584,872	40,370,892	8.0
Placements with banks	13,681,425	2,551,215	436.3	13,681,425	2,551,215	436.3
Derivative Financial Instruments	22,233	35,391	(37.2)	22,233	35,391	(37.2)
Other Financial assets held-for-trading	59,888,466	63,748,857	(6.1)	60,310,150	64,057,091	(5.8)
Loans and receivables to Banks	129,488,851	82,223,079	57.5	133,005,677	82,337,394	61.5
Loans and receivables to other customers	627,209,062	619,829,735	1.2	722,099,483	710,074,499	1.7
Financial investments - Available-for-sale	3,387,770	311,733	986.8	5,011,892	1,737,175	188.5
Financial investments - Held-to-maturity	82,720,707	75,784,287	9.2	87,930,254	78,322,900	12.3
Investments in subsidiaries	1,045,908	1,245,908	(16.1)	-	-	-
Investments in associates	273,100	207,568	31.6	426,502	274,470	55.4
Goodwill and intangible assets	114,548	33,535	241.6	462,073	392,073	17.9
Property, plant and equipment	14,946,764	14,705,723	1.6	19,364,133	18,183,658	6.5
Investment properties	187,420	189,774	(1.2)	187,420	189,774	(1.2)
Prepaid Leases	558,877	295,732	89.0	558,877	295,732	89.0
Deferred tax assets	1,440,924	1,071,381	34.5	1,475,879	1,075,651	37.2
Other assets	10,862,382	9,205,859	18.0	11,719,016	10,771,639	8.8
Total Assets	1,026,768,858	930,585,274	10.3	1,139,257,954	1,031,472,794	10.4
Liabilities						
Due to banks	143,754,943	81,794,017	75.8	162,433,372	101,987,002	59.3
Derivative Financial Instruments	17,377	215,844	(91.9)	148,243	215,844	(31.3)
Due to other customers	793,341,733	762,248,529	4.1	829,018,697	789,225,314	5.0
Other Borrowings	13,442,898	20,353,986	(34.0)	31,391,206	38,878,017	(19.3)
Current tax liabilities	459,612	393,380	16.8	1,052,833	877,476	20.0
Deferred tax liabilities	1,060,634	885,232	19.8	2,936,209	2,557,359	14.8
Other liabilities	16,189,567	13,124,900	23.4	23,331,984	19,501,922	19.6
Subordinated term debts	15,032,542	15,032,542	-	24,883,132	23,141,451	7.5
Total Liabilities	983,299,306	894,048,430	10.0	1,075,195,676	976,384,385	10.1
Equity						
Stated capital/Assigned capital	7,201,998	7,201,998	-	7,201,998	7,201,998	-
Statutory reserve Fund	3,522,626	2,811,685	25.3	3,522,626	2,811,685	25.3
Other reserves	19,947,366	24,409,753	(18.3)	20,493,406	25,959,057	(21.1)
Retained earnings	12,797,562	2,113,408	505.5	27,520,829	14,168,284	94.2
Total shareholders' equity	43,469,552	36,536,844	19.0	58,738,858	50,141,024	17.1
Non-controlling interests	-	-	-	5,323,419	4,947,385	7.6
Total equity	43,469,552	36,536,844	19.0	64,062,278	55,088,409	16.3
Total equity and liabilities	1,026,768,858	930,585,274	10.3	1,139,257,954	1,031,472,794	10.4
Contingent Liabilities and Commitments	182,573,202	197,118,649	(7.4)	182,597,120	197,376,033	(7.5)
No of Employees	8,156	7,409	-	10,331	9,384	-
No of Branches	739	735	-	829	820	-

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER

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)	Investment fund (Rs.'000)	Available For Sale Reserve (Rs.'000)	Retained earnings (Rs.'000)	(Rs.'000)
Balance as at 01.01.2013	49,998	7,152,000	2,437,291	5,463,496	5,078,873	5,043,545	297,964	3,681,621	29,204,788
Profit for the year	-	-	-	-	-	-	-	7,487,887	7,487,887
Changes in Fair Value in AFS Investments	-	-	-	-	-	-	(133,988)	-	(133,988)
Net Defined Benefit obligation	-	-	-	-	-	-	-	(715,204)	(715,204)
Gain on revaluation of Land and Building	-	-	-	5,934,089	-	-	-	-	5,934,089
Transfers to reserves during the period	-	-	374,394	-	1,875,000	1,371,812	-	(3,621,206)	-
Dividend Paid to GOSL	-	-	-	-	-	-	-	(219,690)	(219,690)
Special Levy to Treasury	-	-	-	-	-	-	-	(4,500,000)	(4,500,000)
Tax on other comprehensive income	-	-	-	(521,038)	-	-	-	-	(521,038)
Balance as at 01.01.2014	49,998	7,152,000	2,811,685	10,876,547	6,953,873	6,415,357	163,976	2,113,408	36,536,844
Profit for the period	-	-	-	-	-	-	-	14,218,812	14,218,812
Changes in Fair Value in AFS Investments	-	-	-	-	-	-	77,970	-	77,970
Net Defined Benefit obligation	-	-	-	-	-	-	-	(1,066,589)	(1,066,589)
Gain on revaluation of Land and Building	-	-	-	-	-	-	-	-	-
Transfers to reserves during the period	-	-	710,941	-	1,875,000	157,096	-	(2,743,037)	-
Transfers to Retained earnings during the period	-	-	-	-	-	(6,572,453)	-	6,572,453	-
Dividend Paid to GOSL	-	-	-	-	-	-	-	(219,690)	(219,690)
Special Levy to Treasury	-	-	-	-	-	-	-	(6,000,000)	(6,000,000)
Differed tax effect on defined benefit plans	-	-	-	-	-	-	-	(77,795)	(77,795)
Balance as at 31.12.2014	49,998	7,152,000	3,522,626	10,876,547	8,828,873	-	241,946	12,797,562	43,469,552

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)	Investment fund (Rs.'000)	Available For Sale Reserve (Rs.'000)	Retained earnings (Rs.'000)			
Balance as at 01.01.2013	49,998	7,152,000	2,437,291	5,463,496	5,078,873	5,852,539	276,896	14,858,239	41,169,332	4,579,836	45,749,168
Profit for the year	-	-	-	-	-	-	-	8,364,337	8,364,337	799,845	9,164,182
Changes in Fair Value in AFS Investments	-	-	-	-	-	-	(133,015)	-	(133,015)	325	(132,690)
Net Defined Benefit obligation	-	-	-	-	-	-	-	(715,204)	(715,204)	-	(715,204)
Gain on revaluation of Land and Building	-	-	-	6,409,263	-	-	-	-	6,409,263	158,391	6,567,654
Gain on revaluation of Land and Building - Associate	-	-	-	182,475	-	-	-	-	182,475	-	182,475
Transfer to Reserve during the period	-	-	374,394	-	1,875,000	1,611,397	(3,780)	(3,856,261)	750	250	1,000
Dividend Paid to GOSL	-	-	-	-	-	-	-	(219,690)	(219,690)	-	(219,690)
Special Levy to Treasury	-	-	-	-	-	-	-	(4,500,000)	(4,500,000)	-	(4,500,000)
Movement in deemed disposal profit	-	-	-	-	-	-	-	100,190	100,190	(98,759)	1,431
Share Issue	-	-	-	-	-	-	-	208,554	208,554	69,518	278,072
Merger adjustment	-	-	-	-	-	-	-	(71,881)	(71,881)	(23,962)	(95,843)
Dividend payment	-	-	-	-	-	-	-	-	-	(493,710)	(493,710)
Tax on other comprehensive income	-	-	-	(654,087)	-	-	-	-	(654,087)	(44,350)	(698,436)
Balance as at 01.01.2014	49,998	7,152,000	2,811,685	11,401,147	6,953,873	7,463,936	140,101	14,168,284	50,141,024	4,947,385	55,088,409
Profit for the period	-	-	-	-	-	-	-	15,896,075	15,896,075	1,057,121	16,953,196
Changes in Fair Value in AFS Investments	-	-	-	-	-	-	131,114	-	131,114	17,715	148,829
Net Defined Benefit obligation	-	-	-	-	-	-	-	(1,109,769)	(1,109,769)	(14,394)	(1,124,163)
Gain on revaluation of Land and Building	-	-	-	(7,829)	-	-	-	-	(7,829)	(2,610)	(10,439)
Transfer to Reserve during the period	-	-	710,941	-	1,875,000	157,096	-	(2,743,787)	(750)	(250)	(1,000)
Transfers to Retained earnings during the period	-	-	-	-	-	(7,621,032)	-	7,621,032	-	-	-
Dividend Paid to GOSL	-	-	-	-	-	-	-	(219,690)	(219,690)	-	(219,690)
Special Levy to Treasury	-	-	-	-	-	-	-	(6,000,000)	(6,000,000)	-	(6,000,000)
Movement in deemed disposal profit	-	-	-	-	-	-	-	(12,500)	(12,500)	(187,500)	(200,000)
Deferred tax effect on defined benefit plans	-	-	-	-	-	-	-	(63,019)	(63,019)	4,925	(58,094)
Gains and losses on derivative financial Assets	-	-	-	-	-	-	-	(15,797)	(15,797)	(5,265)	(21,062)
Share Issue Expenses	-	-	-	-	-	-	-	-	-	-	-
Dividend payment	-	-	-	-	-	-	-	-	-	(493,708)	(493,708)
Balance as at 31.12.2014	49,998	7,152,000	3,522,626	11,393,318	8,828,873	-	271,215	27,520,829	58,738,859	5,323,419	64,062,278

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER

	BANK		GROUP	
	2014 (Rs.'000) (Audited)	2013 (Rs.'000) (Audited)	2014 (Rs.'000) (Audited)	2013 (Rs.'000) (Audited)
Cash flows from operating activities				
Profit before tax	17,231,057	10,304,282	21,627,552	13,412,392
Adjustment for				
Non-cash items included in profits before tax	(417,875)	13,807,869	1,154,021	15,190,322
Changes in operating assets	(68,905,022)	(72,844,293)	(77,940,172)	(84,184,926)
Changes in operating liabilities	86,697,864	43,844,904	93,785,221	45,811,564
Net gains from investing activities	-	-	-	-
Share of profits in associates and joint ventures	-	-	19,872	(96,703)
Dividend income from subsidiaries and associates	(1,648,601)	(1,640,672)	(98,589)	(174,007)
Interest expense on subordinated debt	2,014,583	1,695,043	2,014,583	1,695,043
Contribution paid to defined benefit plans	1,443,255	921,907	1,472,621	938,973
Tax paid	(3,217,949)	(4,489,304)	(4,578,472)	(4,883,503)
Net Cash Generated from Operating Activities	33,197,313	(8,400,264)	37,456,637	(12,290,845)
Cash Flows from Investing Activities				
Purchase of property, plant and equipment	(1,124,878)	(1,168,692)	(2,161,371)	(1,654,618)
Proceeds from the sale of property, plant and equipment	59,055	30,288	50,608	118,591
Purchase of financial investments	(7,067,599)	-	(9,738,534)	-
Proceeds from the sale and maturity of financial investments	-	3,673,079	-	2,019,533
Net purchase of intangible assets	(97,275)	(27,792)	(104,801)	(41,953)
Net cash flow from acquisition of investment in subsidiaries and associates	-	-	-	142,794
Net cash flow from disposal of subsidiaries	200,000	7,526	-	-
Proceeds from disposal of associates and joint ventures	-	-	-	-
Dividends received from investment in subsidiaries and associates	1,648,601	1,640,672	98,589	174,007
Others	-	-	-	-
Net Cash (used in) from Investing Activities	(6,382,096)	4,155,081	(11,855,509)	758,354
Cash Flows from Financing Activities				
Net proceeds from the issue of subordinated debt	-	5,032,542	1,741,681	13,141,451
Repayment of subordinated debt	-	-	-	-
Interest paid on subordinated debt	(2,014,583)	(1,695,043)	(2,014,583)	(1,695,043)
Dividend paid to GOSL	(219,690)	(219,690)	(219,690)	(219,690)
Dividend paid to non-controlling interest	-	-	(493,708)	(493,710)
Dividend paid to holders of other equity instruments	(6,000,000)	(4,500,000)	(6,000,000)	(4,500,000)
Share issue expenses	-	-	-	-
Disposal of changes of holdings	-	-	-	-
Net Cash from Financial Activates	(8,234,273)	(1,382,191)	(6,986,300)	6,233,008
Net Increase/(Decrease) in Cash & Cash Equivalents	18,580,944	(5,627,374)	18,614,828	(5,299,483)
Cash and cash equivalents at the beginning of the year	18,774,605	24,401,979	20,803,240	26,102,723
Exchange difference in respect of cash & cash equivalent	-	-	-	-
Cash and cash equivalents at the end of the period	37,355,549	18,774,605	39,418,068	20,803,240

ADDITIONAL DISCLOSURES

	BANK		GROUP	
	31.12.2014 (Rs.'000) (Audited)	31.12.2013 (Rs. '000) (Audited)	31.12.2014 (Rs.'000) (Audited)	31.12.2013 (Rs. '000) (Audited)
Loans and Receivables to Other Customers				
Gross loans and receivables	685,309,929	681,466,864	782,301,028	773,250,598
(Less) : Individual impairment	(40,901,653)	(39,341,542)	(41,422,080)	(39,530,980)
Collective impairment	(17,199,214)	(22,295,587)	(18,779,465)	(23,645,119)
Net loans and receivables	627,209,062	619,829,735	722,099,483	710,074,499
Analysis -Domestic Currency				
By product				
Overdrafts	72,373,142	66,950,906	71,603,389	66,799,190
Term loans	299,923,798	276,971,206	318,994,153	289,209,619
Lease Rental Receivable	-	-	77,251,858	79,227,227
Credit Cards	1,405,769	1,327,925	1,405,769	1,327,925
Pawning	113,946,014	197,128,580	113,946,014	197,128,580
Trade Finance	41,450,202	22,423,634	41,450,202	22,423,634
Others	13,872,415	25,527,997	15,311,054	25,997,807
Sub Total	542,971,340	590,330,248	639,962,439	682,113,982
Analysis -Foreign Currency				
By product				
Overdrafts	349,826	536,081	349,826	536,081
Term loans	15,807,034	9,792,579	15,807,034	9,792,579
Lease Rental Receivable	-	-	-	-
Credit Cards	-	-	-	-
Pawning	-	-	-	-
Trade Finance	126,181,729	80,807,956	126,181,729	80,807,956
Others	-	-	-	-
Sub Total	142,338,589	91,136,616	142,338,589	91,136,616
Grand Total	685,309,929	681,466,864	782,301,028	773,250,598
Movements in Individual and Collective Impairment during the period for loans and Receivables to other customers				
	BANK		GROUP	
	31.12.2014 (Rs.'000) (Audited)	31.12.2013 (Rs. '000) (Audited)	31.12.2014 (Rs.'000) (Audited)	31.12.2013 (Rs. '000) (Audited)
Allowance for Individual impairment				
Opening balance	39,341,542	37,405,759	39,530,980	37,466,907
Charge (Write-back) to income statement	-	-	-	-
Write-off during the year	-	-	-	-
Other Movements	1,560,112	1,935,783	1,891,100	2,064,073
Closing balance	40,901,654	39,341,542	41,422,080	39,530,980
Allowance for Collective impairment				
Opening balance	22,295,587	11,804,074	23,645,119	13,010,589
Charge (Write-back) to income statement	(4,204,461)	10,507,882	(3,973,743)	10,650,898
Write-off during the year	(920,896)	(83,602)	(920,896)	(83,602)
Other Movements	28,982	67,234	28,982	67,234
Closing balance	17,199,212	22,295,587	18,779,462	23,645,119
Total Impairment	58,100,866	61,637,129	60,201,541	63,176,099
Due to Other Customers				
Analysis				
Product Wise Analysis - Domestic Currency				
Demand deposit (current accounts)	46,944,283	36,728,336	44,939,349	33,711,138
Savings deposits	304,528,659	241,868,780	309,810,133	239,901,807
Fixed deposits	371,049,288	417,938,719	403,449,713	449,899,676
Other products	2,789,362	2,550,275	2,789,362	2,550,274
Sub Total	725,311,592	699,086,110	760,988,557	726,062,894
Due to Other Customers				
Product Wise Analysis - Foreign Currency				
Demand deposit (current accounts)	1,211,226	643,973	1,211,226	643,973
Savings deposits	14,418,441	14,111,758	14,418,441	14,111,758
Fixed deposits	52,320,461	48,375,691	52,320,461	48,375,691
Other products	80,012	30,997	80,012	30,997
Sub Total	68,030,140	63,162,419	68,030,140	63,162,419
Grand Total	793,341,733	762,248,529	829,018,697	789,225,313

SELECTED PERFORMANCE INDICATORS				
	BANK		GROUP	
	As at 31.12.2014 (Audited)	As at 31.12.2013 (Audited)	As at 31.12.2014 (Audited)	As at 31.12.2013 (Audited)
Regulatory Capital Adequacy				
Core Capital (Tier 1 Capital), Rs. '000	36,939,096	29,261,006	56,368,837	48,565,960
Total Capital Base, Rs. '000	48,491,842	42,204,105	67,965,047	61,729,640
Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 5%)	10.9	10.4	12.4	12.5
Total capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 10%)	14.3	15.0	14.9	15.9
Assets Quality (Quality of Loan Portfolio)				
Gross Non- Performing Advances Ratio, % (net of Interest in Suspense)	3.2	5.3	3.2	4.9
Net Non- Performing Advances Ratio, % (net of interest in suspense and provisions)	0.5	2.0	0.5	1.8
Profitability				
Interest Margin, %	3.1	4.1	3.7	4.5
Return on Assets (Before Tax) , %	1.8	1.1	2.0	1.3
Return on Equity (After Tax) , %	35.5	22.8	28.5	18.2
Regulatory Liquidity				
Statutory Liquid Assets,				
Domestic Banking Unit Rs.'000	244,731,344	198,056,757		
Off- Shore Banking Unit US\$ ('000)	230,652	187,944		
Statutory Liquid Assets, Ratio % (Minimum Requirement, 20%)				
Domestic Banking Unit	30.3	25.2		
Off- Shore Banking Unit	21.8	22.3		

MEASUREMENT OF FINANCIAL INSTRUMENTS						
BANK AS AT 31.12.2014						
	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	-	-	-	37,355,549	-	37,355,549
Balances with Central Banks	-	-	-	43,584,872	-	43,584,872
Placements with Banks	-	-	-	13,681,425	-	13,681,425
Derivative Financial Instruments	-	22,233	-	-	-	22,233
Financial assets held-for-trading	59,888,466	-	-	-	-	59,888,466
Loans and receivables to banks	-	-	-	129,488,851	-	129,488,851
Loans and receivables to other customers	-	-	-	627,209,062	-	627,209,062
Financial investments	-	-	82,720,707	-	3,387,770	86,108,476
Current tax	-	-	-	-	-	-
Total financial assets	59,888,466	22,233	82,720,707	851,319,759	3,387,770	<u>997,338,934</u>
LIABILITIES						
Due to banks	-	-	-	143,754,943	-	143,754,943
Derivative Financial Instruments	-	17,377	-	-	-	17,377
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-	-
Due to other customers	-	-	-	793,341,733	-	793,341,733
Other Borrowings	-	-	-	13,442,898	-	13,442,898
Subordinated term debts	-	-	-	15,032,542	-	15,032,542
Total financial liabilities	-	17,377	-	965,572,116	-	<u>965,589,493</u>

MEASUREMENT OF FINANCIAL INSTRUMENTS						
BANK AS AT 31.12. 2013						
	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	-	-	-	18,774,605	-	18,774,605
Balances with Central Banks	-	-	-	40,370,892	-	40,370,892
Placements with Banks	-	-	-	2,551,215	-	2,551,215
Derivative Financial Instruments	-	35,391	-	-	-	35,391
Financial assets held-for-trading	63,748,857	-	-	-	-	63,748,857
Loans and receivables to banks	-	-	-	82,223,079	-	82,223,079
Loans and receivables to other customers	-	-	-	619,829,735	-	619,829,735
Financial investments	-	-	75,784,287	-	311,733	76,096,020
Total financial assets	63,748,857	35,391	75,784,287	763,749,526	311,733	<u>903,629,794</u>
LIABILITIES						
Due to banks	-	-	-	81,794,017	-	81,794,017
Derivative Financial Instruments	-	215,844	-	-	-	215,844
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-	-
Due to other customers	-	-	-	762,248,529	-	762,248,529
Other Borrowings	-	-	-	20,353,986	-	20,353,986
Subordinated term debts	-	-	-	15,032,542	-	15,032,542
Total financial liabilities	-	215,844	-	879,429,074	-	<u>879,644,918</u>

MEASUREMENT OF FINANCIAL INSTRUMENTS						
GROUP AS AT 31.12.2014						
	HFT	Designated at	HTM	Amortised	AFS	Total
	(Rs.'000)	FVTPL (Rs.'000)	(Rs.'000)	Cost (Rs.'000)	(Rs.'000)	(Rs.'000)
ASSETS						
Cash and cash equivalents	-	-	-	39,418,068	-	39,418,068
Balances with Central Banks	-	-	-	43,584,872	-	43,584,872
Placements with Banks	-	-	-	13,681,425	-	13,681,425
Derivative Financial Instruments	-	22,233	-	-	-	22,233
Financial assets held-for-trading	60,310,150	-	-	-	-	60,310,150
Loans and receivables to banks	-	-	-	133,005,677	-	133,005,677
Loans and receivables to other customers	-	-	-	722,099,483	-	722,099,483
Financial investments	-	-	87,930,254	-	5,011,892	92,942,146
Total financial assets	60,310,150	22,233	87,930,254	951,789,526	5,011,892	<u>1,105,064,055</u>
LIABILITIES						
Due to banks	-	-	-	162,433,372	-	162,433,372
Derivative Financial Instruments	-	148,243	-	-	-	148,243
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-	-
Due to other customers	-	-	-	829,018,697	-	829,018,697
Other Borrowings	-	-	-	31,391,206	-	31,391,206
Subordinated term debts	-	-	-	24,883,132	-	24,883,132
Total financial liabilities	-	148,243	-	1,047,726,407	-	<u>1,047,874,650</u>

MEASUREMENT OF FINANCIAL INSTRUMENTS						
GROUP AS AT 31.12. 2013						
	HFT	Designated at	HTM	Amortised	AFS	Total
	(Rs.'000)	FVTPL (Rs.'000)	(Rs.'000)	Cost (Rs.'000)	(Rs.'000)	(Rs.'000)
ASSETS						
Cash and cash equivalents	-	-	-	20,803,240	-	20,803,240
Balances with Central Banks	-	-	-	40,370,892	-	40,370,892
Placements with Banks	-	-	-	2,551,215	-	2,551,215
Derivative Financial Instruments	-	35,391	-	-	-	35,391
Financial assets held-for-trading	64,057,091	-	-	-	-	64,057,091
Loans and receivables to banks	-	-	-	82,337,394	-	82,337,394
Loans and receivables to other customers	-	-	-	710,074,499	-	710,074,499
Financial investments	-	-	78,322,900	-	1,737,175	80,060,074
Total financial assets	64,057,091	35,391	78,322,900	856,137,240	1,737,175	<u>1,000,289,796</u>
LIABILITIES						
Due to banks	-	-	-	101,987,002	-	101,987,002
Derivative Financial Instruments	-	215,844	-	-	-	215,844
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-	-
Due to other customers	-	-	-	789,225,314	-	789,225,314
Other Borrowings	-	-	-	38,878,017	-	38,878,017
Subordinated term debts	-	-	-	23,141,451	-	23,141,451
Total financial liabilities	-	215,844	-	953,231,784	-	<u>953,447,628</u>

CERTIFICATION

We the undersigned being the 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 audited financial statements of the bank.

(Sgd.)
G. G. Mangala
Head of Finance

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

(Sgd.)
Hemasiri Fernando
Chairman

12.03.2015
Colombo.

