

## PEOPLE'S BANK

## FINANCIAL STATEMENTS

INCOME STATEMENT FOR THE YEAR ENDED 31ST DECEMBER											
FOI	R THE YEAR	BANK	1ST DEC	EMBEK	GROUP						
	2016	2015	Change	2016	2015	Change					
	(Rs. '000) (Audited)	(Rs. '000) (Audited)	%	(Rs. '000) (Audited)	(Rs. '000) (Audited)	%					
Gross Income	122,114,359	103,648,964	17.8	144,749,519	123,830,806	16.9					
Interest income	109,970,256	92,485,979	18.9	129,708,199	110,360,612	17.5					
Interest expenses	(66,845,869)	(48,731,975)	37.2	(76,111,563)	(56,020,994)	35.9					
Net Interest Income	43,124,387	43,754,004	(1.4)	53,596,636	54,339,618	(1.4)					
Fee and commission income	3,948,052	3,712,146	6.4	4,365,052	4,037,408	8.					
Fee and commission expenses	(208,912)	(174,479)	19.7	(208,912)	(174,479)	19.7					
Net Fee and Commission Income	3,739,140	3,537,667	5.7	4,156,140	3,862,929	7.6					
Net gain from trading	2,816,079	3,079,736	(8.6)	2,801,632	3,080,092	(9.0)					
Other operating income (net)	5,379,972	4,371,103	23.1	7,874,636	6,352,694	24.0					
Total Operating Income	55,059,578	54,742,510	0.6	68,429,044	67,635,333	1.2					
Impairment for loans and other losses	(1,246,748)	(3,739,914)	(66.7)	(1,362,253)	(5,167,881)	(73.6)					
Individual impairment	(847,801)	(1,839,718)	-	(796,703)	(1,905,739)						
Collective impairment	(398,947)	(1,900,196)	-	104,620	(1,862,542)						
Other	(000,047)	(1,300,130)	-	(670,170)	(1,399,600)						
Other		-	-	(670,170)	(1,399,000)	•					
Net Operating Income	53,812,830	51,002,596	5.5	67,066,791	62,467,452	7.4					
Personnel Expenses	(17,475,442)	(17,056,303)	2.5	(20,277,225)	(19,045,558)	6.5					
Depreciation and amortisation	(1,082,295)	(971,799)	11.4	(1,336,940)	(1,269,495)	5.3					
Other expenses	(9,010,962)	(7,605,536)	18.5	(13,870,990)	(11,660,266)	19.0					
Operating Profit before Value Added Tax	00.044.400	05 000 050		04 504 005	00 400 400	•					
(VAT) & Nation Building Tax (NBT)	26,244,130	25,368,959	3.4	31,581,637	30,492,133	3.6					
VAT & NBT on Financial Services	(5,430,470)	(5,849,440)	(7.2)	(6,148,315)	(6,370,969)	(3.5)					
Operating Profit after Value Added Tax (VAT) & Nation Building Tax (NBT)	20,813,660	19,519,519	6.6	25,433,322	24,121,164	5.4					
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Share of profits/(loss) of associates	-	-	-	-	-						
Profit before Tax	20,813,660	19,519,519	6.6	25,433,322	24,121,164	5.4					
Income tax expenses	(5,818,969)	(6,921,677)	(15.9)	(7,477,394)	(9,053,173)	(17.4)					
Profit for the year	14,994,691	12,597,842	19.0	17,955,928	15,067,991	19.2					
Profit Attributable to :											
Equity Holders of the Bank	14,994,691	12,597,842	19.0	16,721,972	13,898,050	20.3					
Non-controlling interests	-	-	-	1,233,956	1,169,941	5.5					
· ·	14,994,691	12,597,842	19.0	17,955,928	15,067,991	19.					
Earnings per Share on Profit Basic earnings per ordinary share	14,995	12,598	19.0	16,722	13,898	20.3					
Diluted earnings per ordinary share	104	87	19.0	116	96	20.3					

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STATEMENT OF PROFIT OR LO	SS AND OT	HER COMP	REHENSIVE	INCOME						
FOR THE YEAR ENDED 31ST DECEMBER										
	BA	NK	GR	OUP						
	2016 (Rs.'000) (Audited)	2015 (Rs.'000) (Audited)	2016 (Rs.'000) (Audited)	2015 (Rs.'000) (Audited)						
Profit for the year	14,994,691	12,597,842	17,955,928	15,067,991						
Other Comprehensive Income net of Tax										
Actuarial gains and losses on defined benefit plans	3,386,550	(635,394)	3,362,348	(635,372)						
Deferred tax effect on defined benefit plan liability	15,167	(1,884)	22,135	(1,953)						
Gains and losses on re-measuring available-for-sale financial assets	(13,286)	54,433	(167,029)	198,846						
Gain on revaluation of land and buildings	-	· -	25,000	672,574						
Reversal of AFS reserve on disposal of AFS Investment	(9,315)	-	(9,315)	,						
Gains and losses on derivative financial Assets	-	-	6,186	30,594						
Less:										
Tax expense relating to components of other comprehensive income	-	-	(754)	(188,321)						
Other Comprehensive Income for the period, net of Taxes	3,379,116	(582,845)	3,238,571	76,368						
Total Comprehensive Income for the period	18,373,807	12,014,997	21,194,499	15,144,359						
Attributable to :										
Equity Holders of the Bank	18,373,807	12,014,997	19,997,591	13,809,598						
Non-controlling interests	-	-	1,196,908	1,334,761						

	BA	NK	GRO	OUP
	31.12.2016 (Rs.'000) (Audited)	31.12.2015 (Rs. '000) (Audited)	31.12.2016 (Rs.'000) (Audited)	31.12.201 (Rs. '000 (Audited
Loans and Receivables to Other Customers	(* *** ********************************		(**************************************	
Gross loans and receivables	950,823,949	829.233.971	1.076.448.155	933,285,49
Less): Individual impairment	(43,589,172)	(42,741,371)	(44,124,522)	(43,327,819
Collective impairment	(16,706,676)	(17,977,941)	(18,402,340)	(20,177,17
let loans and receivables	890,528,101	768,514,659	1,013,921,293	869,780,50
Analysis -Domestic Currency		, ,		,
By product				
Overdrafts	59,131,397	86,536,473	57,785,473	86,110,92
Term loans	538,468,884	407,072,413	577,551,160	430,662,78
Lease Rental Receivable	-	-	84,250,993	78,729,33
Credit Cards	1,839,646	1,500,927	1,839,646	1,500,92
Pawning	114,422,847	103,945,309	114,422,847	103,945,30
Trade Finance	37,869,834	22,362,394	37,869,834	22,362,39
Others	18,996,751	16,652,363	22,633,612	18,809,72
Sub Total	770,729,358	638,069,879	896,353,565	742,121,40
Analysis -Foreign Currency By product				
Overdrafts	260,972	298,206	260,972	298.20
Term loans	40,515,321	21,979,665	40.515.321	21,979,66
Lease Rental Receivable				21,010,00
Credit Cards		_	_	
Pawning		_	_	
Trade Finance	139.318.297	168.886.221	139,318,297	168,886,22
Others		-	-	
Sub Total	180.094.590	191.164.092	180,094,590	191,164,09
Grand Total	950,823,949	829,233,971	1,076,448,155	933,285,49

Crand Tatal	180,094,590	191,164,092	180,094,590	191,164,092	
Grand Total	950,823,949	829,233,971	1,076,448,155	933,285,495	
Movements in Individual and Collective Impairment du	uring the period for lo	oans and Receivables	to other customers		
	I	BANK	GROUP		
	31.12.2016 (Rs.'000) (Audited)	31.12.2015 (Rs. '000) (Audited)	31.12.2016 (Rs.'000) (Audited)	31.12.2015 (Rs. '000) (Audited)	
Allowance for Individual impairment					
Opening balance	42,741,371	40,901,653	43,327,819	41,422,080	
Charge (Write-back) to income statement		-	-		
Write-off during the year	-	-	_	-	
Other Movements	847,801	1.839.718	796.703	1,905,739	
Closing balance	43,589,172	42,741,371	44,124,522	43,327,819	
Allowance for Collective impairment		, ,	, ,		
Opening balance	17,977,941	17,199,214	20,177,173	18,779,465	
Subsidiary Acquired During the year	· · ·	· · ·	, , <u>-</u>	656,635	
Charge (Write-back) to income statement	(1,291,443)	793,203	(1,795,010)	755,549	
Write-off during the year	(103,986)	(267,051)	(103,986)	(267,051)	
Other Movements	124,164	252,575	124,164	252,575	
Closing balance at	16,706,676	17,977,941	18,402,340	20,177,173	
Total Impairment	60,295,848	60,719,312	62,526,862	63,504,992	
Due to Other Customers					
Analysis					
Product Wise Analysis - Domestic Currency					
Demand deposit (current accounts)	57,314,952	55,576,160	54,535,183	52,893,164	
Savings deposits	408,410,098	356,683,313	411,736,825	361,291,730	
Fixed deposits	483,327,818	380,207,167	524,721,913	411,949,700	
Other products	2,757,422	4,360,499	2,757,422	4,360,500	
Sub Total	951,810,290	796,827,139	993,751,344	830,495,094	
Due to Other Customers					
Product Wise Analysis - Foreign Currency					
Demand deposit (current accounts)	1,348,459	1,908,118	1,348,459	1,908,118	
Savings deposits	16,153,206	15,516,579	16,153,206	15,516,579	
Fixed deposits	108,480,491	84,964,502	108,480,491	84,964,502	
Other products Sub Total	19,682	21,542	19,682	21,542	
	126,001,837	102,410,741	126,001,838	102,410,741	
Grand Total	1,077,812,127	899,237,880	1,119,753,182	932,905,835	

STA	TEMENT	OF FINAN	CIAL P	OSITION		
		AS AT				
		BANK			GROUP	
	31.12.2016 (Rs.'000) (Audited)	31.12.2015 (Rs. '000) (Audited)	Change %	31.12.2016 (Rs.'000) (Audited)	31.12.2015 (Rs. '000) (Audited)	Change %
Assets						
Cash and Cash Equivalents Balances with Central Bank of Sri Lanka Placements with banks Derivative Financial Instruments Other Financial assets held-for-trading	64,008,639 63,049,516 32,772,978 15,057 46,915,311	31,164,235 42,947,711 8,097,147 4,109 93,400,763	105.4 46.8 304.7 266.5 (49.8)	67,695,584 63,049,516 32,772,978 21,196 47,455,844	33,892,732 42,947,711 8,097,147 24,853 93,973,350	99.7 46.8 304.7 (14.7) (49.5)
Loans and receivables to Banks Loans and receivables to other customers Financial investments - Available-for-sale Financial investments - Held-to-maturity Non Current Assets Held For Sale Investments in subsidiaries	71,528,031 890,528,101 1,525,839 96,171,734	111,406,452 768,514,659 3,533,743 86,604,889	(35.8) 15.9 (56.8) 11.0	72,205,378 1,013,921,293 3,258,308 101,069,681 1,040,828	112,319,406 869,780,503 5,661,805 91,089,198	(35.7) 16.6 (42.5) 11.0
Investments in associates Goodwill and intangible assets Property, plant and equipment Investment properties Prepaid Leases Other assets	1,325,766 - 110,514 17,224,026 184,006 512,184 16,176,745	1,475,766 - 126,888 16,303,749 185,713 536,321 12,293,017	(10.2) - (12.9) 5.6 (0.9) (4.5) 31.6	438,323 23,440,966 184,006 512,184 17,331,932	462,355 22,695,990 185,713 536,321 13,070,117	(5.2) 3.3 (0.9) (4.5) 32.6
Total Assets	1,302,048,447	1,176,595,162	10.7	1,444,398,017	1,294,737,201	11.6
Liabilities Due to banks Derivative Financial Instruments Due to other customers Other Borrowings	106,924,276 72,182 1,077,812,127 27,184,535	143,923,634 112,149 899,237,880 48,159,100	(25.7) (35.6) 19.9 (43.6)	130,122,246 72,182 1,119,753,182 42,296,376	162,687,453 112,149 932,905,835 63,107,816	(20.0) (35.6) 20.0 (33.0)
Current tax liabilities Deferred tax liabilities Other liabilities Subordinated term debts	2,432,266 63,479 15,378,998 12,531,728	3,845,470 361,106 16,428,542 15,032,542	(36.7) (82.4) (6.4) (16.6)	3,000,249 2,254,462 25,182,416 36,525,796	4,505,699 2,932,396 24,777,985 30,907,240	(33.4) (23.1) 1.6 18.2
Total Liabilities	1,242,399,591	1,127,100,423	10.2	1,359,206,909	1,221,936,573	11.2
Equity Stated capital/Assigned capital	7,201,998	7,201,998	_	7,201,998	7,201,998	-
Statutory reserve Fund Other reserves Retained earnings Total shareholders' equity	4,902,255 21,195,855 26,348,748 <b>59,648,856</b>	4,152,518 21,846,751 16,293,472 <b>49,494,739</b>	18.1 (3.0) 61.7 20.5	4,902,255 22,269,995 43,185,534 <b>77,559,782</b>	4,152,518 23,012,662 32,209,592 <b>66,576,770</b>	18.1 (3.2) 34.1 16.5
Non-controlling interests  Total equity	59,648,856	49,494,739	20.5	7,631,326 <b>85,191,108</b>	6,223,858 <b>72,800,628</b>	22.6 17.0
Total equity and liabilities	1,302,048,447	1,176,595,162	10.7	1,444,398,017	1,294,737,201	11.6
Contingent Liabilities and Commitments	226,429,659	181,532,584	24.7	226,442,491	181,545,416	24.7
No of Employees No of Branches	8,249 737	8,368 740		10,471 852	10,331 829	

CACLLELOW	/ OTATES	AENIT			
CASH FLOW FOR THE YEAR END					
FOR THE TEAR END				POUR	
	2016	ANK 2015	GROUP 2016 201		
	(Rs.'000) (Audited)	(Rs.'000) (Audited)	(Rs.'000) (Audited)	(Rs.'000) (Audited)	
Cash flows from operating activities					
Profit before tax	20,813,660	19,519,519	25,433,322	24,121,164	
Adjustment for					
Non-cash items included in profits before tax	2,824,333	5,332,075	3,180,031	7,534,618	
Changes in operating assets	(83,928,201)	(156,348,351)	(106,039,634)	(159,571,583)	
Changes in operating liabilities	121,125,671	138,914,805	135,320,066	132,999,699	
Dividend income from subsidiaries and associates	(1,628,700)	(1,659,531)	(189,530)	(219,051)	
Interest expense on subordinated debt	1,987,500	1,987,500	1,987,500	1,987,500	
Contribution paid to defined benefit plans/Gratuity	1,811,662	1,526,525	1,894,316	1,563,511	
Tax paid	(7,514,644)	(5,566,426)	(9,639,397)	(7,990,113	
Net Cash Generated from Operating Activities	55,491,281	3,706,116	51,946,673	425,74	
Cash Flows from Investing Activities					
Purchase of property, plant and equipment	(1,942,542)	(2,079,622)	(3,020,288)	(2,378,217	
Proceeds from the sale of property, plant and equipment	98,471	93,379	131,611	104,264	
Purchase of financial investments	(9,855,692)	(4,173,564)	(10,269,333)	(3,448,325	
Net purchase of intangible assets	(17,810)	(43,206)	(25,475)	(44,684	
Net cash flow from acquisition of investment in subsidiaries and associates	-	(346,758)	-	(726,385	
Net cash flow from preference shores subsidiaries	150,000	200,000	-		
Dividends received from investment in subsidiaries and associates	1,628,700	1,659,531	189,530	219,05	
Net Cash (used in) from Investing Activities	(9,938,873)	(4,690,240)	(12,993,955)	(6,274,296	
Cash Flows from Financing Activities					
Net proceeds from the issue of subordinated debt	-	-	5,618,556	6,024,110	
Repayment of subordinated debt	(2,500,814)	-	-		
Interest paid on subordinated debt	(1,987,500)	(1,987,500)	(1,987,500)	(1,987,500	
Dividend paid to non-controlling interest	-	-	(561,232)	(493,707	
Special Levy to Treasury / Dividend	(8,219,690)	(3,219,690)	(8,219,690)	(3,219,690	
Net Cash from Financial Activates	(12,708,004)	(5,207,190)	(5,149,866)	323,21	
Net Increase/(Decrease) in Cash & Cash Equivalents	32,844,404	(6,191,314)	33,802,853	(5,525,338	
Cash and cash equivalents at the beginning of the year	31,164,235	37,355,549	33,892,732	39,418,07	
Cash and cash equivalents at the beginning of the year	64,008,639	31,164,235	67,695,584	33,892,732	

		BANK	GROUP		
	As at 31.12.2016 (Audited)	As at 31.12.2015 (Audited)	As at 31.12.2016 (Audited)	As at 31.12.2015 (Audited)	
Regulatory Capital Adequacy					
Core Capital (Tier 1 Capital), Rs. '000	50,382,257	43,580,719	75,003,099	65,200,262	
Total Capital Base, Rs. '000	62,207,116	55,469,941	87,842,601	78,318,111	
Core Capital Adequacy Ratio, as % of Risk Weighted					
Assets (Minimum Requirement, 5%)	9.8	9.9	11.08	11.5	
Total capital Adequacy Ratio, as % of Risk Weighted					
Assets (Minimum Requirement, 10%)	12.1	12.6	12.97	13.8	
Assets Quality (Quality of Loan Portfolio)					
Gross Non- Performing Advances Ratio, %	1.9	2.4	1.9	2.4	
(net of Interest in Suspense)					
Net Non- Performing Advances Ratio, %	0.6	0.8	0.7	0.7	
(net of interest in suspense and provisions)					
Profitability					
Interest Margin, %	3.5	4.0	3.9	4.5	
Return on Assets (Before Tax ), %	1.7	1.8	1.9	2.0	
Return on Equity (After Tax), %	27.5	27.1	22.7	22.0	
Regulatory Liquidity					
Statutory Liquid Assets,					
Domestic Banking Unit Rs.'000	229,148,457	228,488,902			
Off- Shore Banking Unit US\$ ('000)	202,041	290,560			
Statutory Liquid Assets, Ratio %					
(Minimum Requirement, 20%)					
Domestic Banking Unit	21.73	25.9			
Off- Shore Banking Unit	22.46	21.7			

BANK		FOR T	THE YEAR E	NDED 31ST DEC	EMBER					
	Stated capital/	Stated capital/Assigned capital		Reserves						
	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 01.01.2015	49,998	7,152,000	3,522,626	10,876,547	8,828,873	-	241,946	12,797,562	43,469,552	
Adjustment of Super Gain Tax	-	-	-	-	-	-	-	(2,770,120)	(2,770,120)	
Profit for the year	-	-	-	-	-	-	-	12,597,842	12,597,842	
Changes in Fair Value in AFS Investments	-	-	-	-	-	-	54,433	-	54,433	
Net Defined Benefit obligation	-	-	-	-	-	-	-	(635,394)	(635,394)	
Deffered tax effect on defined benefit plans	-	-	-	-	-	-	-	(1,884)	(1,884)	
Transfers to reserves during the period	-	-	629,892	-	1,875,000	-	-	(2,504,892)	-	
Special Levy to Treasury / Dividend	-	-	-	-	-	-	-	(3,219,690)	(3,219,690)	
Reversal of Revaluation Gain on Disposed Property	-	-	-	(30,048)	-	-	-	30,048	-	
Transfers to Retained earnings during the period	-	-	-	-	-	-	-	-	-	
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	
Adjustment of Super Gain Tax	-	-	-	-	-	-	-	-	-	
Profit for the year	-	-	-	-	-	-	-	14,994,691	14,994,691	
Changes in Fair Value in AFS Investments	-	-	-	-	-	-	(13,286)	-	(13,286)	
Reversal of Revaluation gain on disposal of AFS Investments	-	-	-	-	-	-	(9,315)	-	(9,315)	
Net Defined Benefit obligation	-	-	-	-	-	-	` <u>-</u>	3,386,550	3,386,550	
Reversal of Revaluation gain on Disposed Property	-	-	-	(3,295)	-	-	-	3,295	-	
Transfers to reserves during the period	-	-	749,737	-	(625,000)	-	-	(124,737)	-	
Transfers to Retained earnings during the period	-	-	-	-	-	-	-	-	-	
Special Levy to Treasury / Dividend	-	-	-	-	-	-	-	(8,219,690)	(8,219,690)	
Deffered tax effect on defined benefit plans	-	-			-	-		15,167	15,167	
Balance as at 31.12.2016	49,998	7,152,000	4,902,255	10,843,204	10,078,873	-	273,778	26,348,748	59,648,856	

**GROUP** 

	Stated capital/ Assigned capital		Reserves							Total	Non controlling interest	Total equity
	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)	Cash Flow Hedge Reserve (Rs.'000)	Retained earnings (Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)
Balance as at 01.01.2015	49,998	7,152,000	3,522,626	11,393,318	8,828,873	-	271,215	(15,797)	27,536,628	58,738,861	5,323,419	64,062,280
Adjustment of Super Gain Tax	-	-	-	-	-	-	-	-	(3,413,319)	(3,413,319)	(214,400)	(3,627,719)
Profit for the year	-	-	-	-	-	-	-	-	13,898,050	13,898,050	1,169,941	15,067,991
Changes in Fair Value in AFS Investments	-	-	-	-	-	-	162,726	-	-	162,726	36,120	198,846
Net Defined Benefit obligation	-	-	-	-	-	-	-	-	(635,377)	(635,377)	5	(635,372)
Gain on revaluation of Land and Building	_	-	-	504,430	-	-	-	-		504,430	168,144	672,574
Gain on revaluation of Land and Building - Associate	-	-	-	-	-	-	-	-	-	-	-	-
ransfer to Reserve during the period	-	-	629,892	-	1,875,000	-	-	-	(2,504,892)	-	-	-
Special Levy to Treasury / Dividend	-	-	-	-	-	-	-	-	(3,219,690)	(3,219,690)	-	(3,219,690)
Subsidiary Acquired During the Year	-	-	-	-	-	-	-	-	-	-	133,346	133,346
Change of Holding of Associate	_	-	-	-	-	-	-	-	51,758	51,758		51,758
Share Issue	_	-	-	-	-	-	-	-	609,561	609,561	140,439	750,000
Gains and losses on derivative financial Assets	_	-	-	-	-	-	-	22,945	´ -	22,945	7,649	30,594
Dividend payment	_	-	-	-	-	-	-	· -	-	· -	(493,707)	(493,707)
Deffered tax effect on defined benefit plans	_	-	-	-	-	-	-	-	(1,935)	(1,935)	(18)	(1,953)
Reversal of Revaluation gain on Disposed Property	_	-	-	(30,048)	-	-	-	-	30,048	-	-	
ax on Other Comprehensive income	_	-	-	-	-	-	-	-	(141,241)	(141,241)	(47,080)	(188,321)
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
Adjustment of Super Gain Tax		· · ·	-	· · ·	· · ·	-		· -	· · -		, , <u>-</u>	
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 Revaluation gain 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
Gains and losses on derivative financial Assets	_	_	-	-	_	_	-	4,639	-	4,639	1,547	6,186
ax on other comprehensive income	_	-	-	_	-	_	_	,	(588)	(588)	(166)	(754)
Reversal of Revaluation on Disposed Property	_	-	-	(3,295)	-	_	_	-	3,295	-	-	-
Revaluation Surplus of Land and Building	_	-	-	18,750	-	_	_	-	-,	18,750	6,250	25,000
Deffered tax effect on defined benefit plans	_	-	_		_	_	_	-	20,393	20,393	1.742	22,135
ransfer to Reserve during the period	_	-	749,737	_	(625,000)	_	_	-	(124,737)		-,	
Change of Holding of Associate	_	_	-	_	(020,000)	-	_	_	(121,707)	_		_
Novement due to change in ownership	_	_	_	_	-	-	_	_	(781,872)	(781,872)	776,130	(5,742)
Share Issue Expenses	_	_	_	_	-	-	_	_	(13,016)	(13,016)	(4,339)	(17,355)
Dividends Paid	_	_	-	_	-	_	_	_	(10,010)	(10,010)	(561,232)	(561,232)
Special Levy to Treasury / Dividend	_	_	_	_	-	-	-	_	(8.219.690)	(8,219,690)	(001,202)	(8,219,690)
Balance as at 31.12.2016	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

MEAS	UREMENT	OF FINAN	ICIAL IN	STRUME	NTS	
	BA	NK AS AT 31	.12.2016			
	HFT	Designated at FVTPL	нтм	Amortised Cost	AFS	Total
	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)	(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	97,697,572
Current tax	-	-	-	-	-	-
Total financial assets	46,915,311	15,057	96,171,734	1,121,887,265	1,525,839	1,266,515,205
LIABILITIES						
Due to banks	-	-	-	106,924,276	-	106,924,276
Derivative Financial Instruments	-	72,182	-	-	-	72,182
Financial liabilities designated at						
fair value through profit or loss	-	-	-	-	-	-
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	-	1,224,524,848

	HFT	Designated at	НТМ	Amortised	AFS	Tota
	(Rs.'000)	FVTPL (Rs.'000)	(Rs.'000)	Cost (Rs.'000)	(Rs.'000)	(Rs.'000
ASSETS	, ,	, ,	, ,		, ,	
Cash and cash equivalents	-	-	-	67,695,584	-	67,695,58
Balances with Central Banks	-	-	-	63,049,516	-	63,049,51
Placements with Banks	-	-	-	32,772,978	-	32,772,97
Derivative Financial Instruments	-	21,196	-	-	-	21,19
Financial assets held-for-trading	47,455,844	-	-	-	-	47,455,84
Loans and receivables to banks	-	-	-	72,205,378	-	72,205,37
Loans and receivables to other customers	-	-	-	1,013,921,293	-	1,013,921,29
Financial investments	-	-	101,069,681	-	3,258,308	104,327,98
Total financial assets	47,455,844	21,196	101,069,681	1,249,644,749	3,258,308	1,401,449,77
LIABILITIES						
Due to banks	-	-	-	130,122,246	-	130,122,24
Derivative Financial Instruments	-	72,182	-	-	-	72,18
Financial liabilities designated at						
fair value through profit or loss	-	-	-	-	-	
Due to other customers	-	-	-	1,119,753,182	-	1,119,753,18
Other Borrowings	-	-	-	42,296,376	-	42,296,37
Subordinated term debts	-	-	-	36,525,796	-	36,525,79
Total financial liabilities	-	72,182	-	1,328,697,600	-	1,328,769,78

MEAS	MEASUREMENT OF FINANCIAL INSTRUMENTS										
	В	ANK AS AT 31.	12. 2015								
	HFT	Designated at FVTPL	нтм	Amortised Cost	AFS	Total					
	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)					
ASSETS											
Cash and cash equivalents	-	-	-	31,164,235	-	31,164,235					
Balances with Central Banks	-	-	-	42,947,711	-	42,947,711					
Placements with Banks	-	-	-	8,097,147	-	8,097,147					
Derivative Financial Instruments	-	4,109	-	-	-	4,109					
Financial assets held-for-trading	93,400,763	-	-	-	-	93,400,763					
Loans and receivables to banks	-	-	-	111,406,452	-	111,406,452					
Loans and receivables to other customers	-	-	-	768,514,659	-	768,514,659					
Financial investments	-	-	86,604,889	-	3,533,743	90,138,632					
Total financial assets	93,400,763	4,109	86,604,889	962,130,205	3,533,743	1,145,673,708					
LIABILITIES											
Due to banks	-	-	-	143,923,634	-	143,923,634					
Derivative Financial Instruments	-	112,149	-	-	-	112,149					
Financial liabilities designated at											
fair value through profit or loss	-	-	-	-	-	-					
Due to other customers	-	-	-	899,237,880	-	899,237,880					
Other Borrowings	-	-	-	48,159,100	-	48,159,100					
Subordinated term debts	-	-	-	15,032,542	-	15,032,542					
Total financial liabilities	-	112,149	-	1,106,353,156	-	1,106,465,305					

GROUP AS AT 31.12. 2015						
	HFT	Designated at FVTPL	НТМ	Amortised Cost	AFS	Tota
	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000
ASSETS						
Cash and cash equivalents	-	-	-	33,892,732	-	33,892,73
Balances with Central Banks	-	-	-	42,947,711	-	42,947,7
Placements with Banks	-	-	-	8,097,147	-	8,097,1
Derivative Financial Instruments	-	24,853	-	-	-	24,8
Financial assets held-for-trading	93,973,350	-	-	-	-	93,973,3
Loans and receivables to banks	-	-	-	112,319,406	-	112,319,4
Loans and receivables to other customers	-	-	-	869,780,503	-	869,780,5
Financial investments	-	-	91,089,198	-	5,661,805	96,751,0
Total financial assets	93,973,350	24,853	91,089,198	1,067,037,498	5,661,805	1,257,786,7
LIABILITIES						
Due to banks	-	-	-	162,687,453	-	162,687,4
Derivative Financial Instruments	-	112,149	-	-	-	112,1
Financial liabilities designated at						
fair value through profit or loss	-	-	-	-	-	
Due to other customers	-	-	-	932,905,835	-	932,905,8
Other Borrowings	-	-	-	63,107,816	-	63,107,8
Subordinated term debts	-	-	-	30,907,240	-	30,907,2
Total financial liabilities	-	112,149	_	1,189,608,343	_	1,189,720,4

## CERTIFICATION

We the undersigned being the Chairman, Chief Executive Officer/General Manager 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,

(b) The information contained in these statements have been extracted from the audited financial statements of the bank.

(Sgd.) Azzam A. Ahamat Head of Finance

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

(Sgd.) Hemasiri Fernando

