

FITCH RATING AA+ (LKA)



RAM RATING AAA

PEOPLE'S BANK

FINANCIAL STATEMENTS

INCOME STATEMENT

FOR THE NINE MONTHS ENDED 30TH SEPTEMBER

	BANK			GROUP		
	2015 (Rs. '000) (Unaudited)	2014 (Rs. '000) (Unaudited)	Change %	2015 (Rs. '000) (Unaudited)	2014 (Rs. '000) (Unaudited)	Change %
Gross Income	76,865,165	70,382,015	9.2	92,330,534	87,845,179	5.1
Interest income	69,212,104	61,843,273	11.9	82,716,343	76,817,690	7.7
Interest expenses	(36,788,611)	(41,894,429)	(12.2)	(42,281,183)	(49,747,886)	(15.0)
Net Interest Income	32,423,494	19,948,844	62.5	40,435,160	27,069,804	49.4
Fee and commission income	2,707,402	2,658,399	1.8	2,707,275	2,615,855	3.5
Fee and commission expenses	(129,407)	(90,368)	43.2	(129,407)	(90,368)	43.2
Net Fee and Commission Income	2,577,993	2,568,030	0.4	2,577,866	2,525,486	2.1
Net gain from trading	2,641,061	2,017,708	30.9	2,663,382	2,142,955	24.3
Net gain/(loss) from financial investment	-	-	-	-	-	-
Other operating income (net)	2,304,598	3,862,637	(40.3)	4,243,535	6,268,680	(32.3)
Total Operating Income	39,947,147	28,397,220	40.7	49,919,944	38,006,926	31.3
Impairment for loans and other losses	(4,805,611)	1,315,459	(465.3)	(5,597,496)	492,610	(1,236.3)
Individual impairment	(261,448)	(49,544)	-	(62,550)	(169,529)	-
Collective impairment	(4,544,163)	1,299,471	-	(4,986,989)	1,047,585	-
Other	-	65,532	-	(547,957)	(385,446)	-
Net Operating Income	35,141,536	29,712,679	18.3	44,322,448	38,499,536	15.1
Personnel Expenses	(13,108,610)	(9,511,825)	37.8	(14,564,383)	(10,810,862)	34.7
Depreciation and amortisation	(734,028)	(692,932)	5.9	(947,885)	(915,922)	3.5
Other expenses	(6,047,580)	(6,157,987)	(1.8)	(8,754,666)	(9,374,277)	(6.6)
Operating Profit before Value Added Tax (VAT)	15,251,318	13,349,935	14.2	20,055,515	17,398,475	15.3
Value Added Tax (VAT) on financial services	(2,747,831)	(1,821,310)	50.9	(3,112,009)	(2,071,507)	50.2
Operating Profit after Value Added Tax (VAT)	12,503,487	11,528,624	8.5	16,943,506	15,326,967	10.5
Share of profits/(loss) of associates	-	-	-	-	(19,872)	(100.0)
Profit before Tax	12,503,487	11,528,624	8.5	16,943,506	15,307,095	10.7
Tax expenses	(3,581,735)	(3,225,533)	11.0	(5,177,272)	(4,434,822)	16.7
Profit for the period	8,921,752	8,303,092	7.5	11,766,234	10,872,274	8.2
Profit Attributable to :						
Equity Holders of the Bank	8,921,752	8,303,092	7.5	10,907,983	10,078,964	8.2
Non-controlling interests	-	-	-	858,251	793,309	8.2
	8,921,752	8,303,092	7.5	11,766,234	10,872,274	8.2
Earnings per Share on Profit						
Basic earnings per ordinary share	8,922	8,303	7.5	10,908	10,079	8.2
Diluted earnings per ordinary share	62	58	7.5	76	70	8.2

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 30TH SEPTEMBER**

	BANK		GROUP	
	2015 (Rs.'000) (Unaudited)	2014 (Rs.'000) (Unaudited)	2015 (Rs.'000) (Unaudited)	2014 (Rs.'000) (Unaudited)
Profit for the period	8,921,752	8,303,092	11,766,234	10,872,274
Other Comprehensive Income net of Tax				
Actuarial gains and losses on defined benefit plans	-	-	728	(57,574)
Deferred tax effect on defined benefit plan liability	-	-	(141)	-
Gains and losses on re-measuring available-for-sale financial assets	-	-	123,781	86,237
Gain on revaluation of land and buildings	-	-	-	-
Gain on revaluation of land and buildings - Associate	-	-	-	-
Gains and losses on derivative financial Assets	-	-	42,779	(58,305)
Less:				
Tax expense relating to components of other comprehensive income	-	-	-	16,778
Other Comprehensive Income for the period, net of Taxes			167,147	(12,864)
Total Comprehensive Income for the period	8,921,752	8,303,092	11,933,382	10,859,410
Attributable to :				
Equity Holders of the Bank	8,921,752	8,303,092	11,033,344	10,069,316
Non-controlling interests	-	-	900,038	790,093

STATEMENT OF FINANCIAL POSITION

AS AT

	BANK			GROUP		
	30.09.2015	31.12.2014	Change	30.09.2015	31.12.2014	Change
	(Rs. '000)	(Rs. '000)	%	(Rs. '000)	(Rs. '000)	%
	(Unaudited)	(Audited)		(Unaudited)	(Audited)	
Assets						
Cash and Cash Equivalents	24,294,738	37,355,549	(35.0)	26,532,956	39,418,068	(32.7)
Balances with Central Bank of Sri Lanka	44,086,440	43,584,872	1.2	44,086,440	43,584,872	1.2
Placements with banks	1,788,774	13,681,425	(86.9)	1,788,774	13,681,425	(86.9)
Derivative Financial Instruments	-	22,233	(100.0)	23,925	22,233	7.6
Other Financial assets held-for-trading	111,628,175	59,888,466	86.4	112,220,374	60,310,150	86.1
Loans and receivables to Banks	83,167,843	129,488,851	(35.8)	83,563,913	133,005,677	(37.2)
Loans and receivables to other customers	749,248,297	627,209,062	19.5	848,491,847	722,099,483	17.5
Financial investments - Available-for-sale	1,379,312	3,387,770	(59.3)	3,309,745	5,011,892	(34.0)
Financial investments - Held-to-maturity	90,833,819	82,720,707	9.8	96,303,019	87,930,254	9.5
Investments in subsidiaries	1,575,766	1,045,908	50.7	-	-	-
Investments in associates	-	273,100	(100.0)	-	426,502	(100.0)
Goodwill and intangible assets	128,998	114,548	12.6	1,013,984	462,073	119.4
Property, plant and equipment	15,632,086	14,946,764	4.6	20,995,207	19,364,133	8.4
Investment properties	185,659	187,420	(0.9)	185,659	187,420	(0.9)
Prepaid Leases	542,462	558,877	(2.9)	542,461	558,877	(2.9)
Deferred tax assets	1,440,924	1,440,924	-	1,441,415	1,475,879	(2.3)
Other assets	11,700,439	10,862,382	7.7	12,515,276	11,719,016	6.8
Total Assets	1,137,633,732	1,026,768,858	10.8	1,253,014,996	1,139,257,954	10.0
Liabilities						
Due to banks	128,578,962	143,754,943	(10.6)	148,983,180	162,433,372	(8.3)
Derivative Financial Instruments	407,510	17,377	2,245.1	407,510	148,243	174.9
Due to other customers	869,839,120	793,341,733	9.6	905,123,429	829,018,697	9.2
Other Borrowings	55,745,416	13,442,898	314.7	72,260,039	31,391,206	130.2
Current tax liabilities	2,278,217	459,612	395.7	2,937,096	1,052,833	179.0
Deferred tax liabilities	1,060,634	1,060,634	-	3,079,171	2,936,209	4.9
Other liabilities	15,517,025	16,189,567	(4.2)	22,424,869	23,331,984	(3.9)
Subordinated term debts	15,032,542	15,032,542	-	24,977,440	24,883,132	0.4
Total Liabilities	1,088,459,426	983,299,306	10.7	1,180,192,733	1,075,195,676	9.8
Equity						
Stated capital/Assigned capital	7,201,998	7,201,998	-	7,201,998	7,201,998	-
Statutory reserve Fund	3,522,626	3,522,626	-	3,522,626	3,522,626	-
Other reserves	19,917,318	19,947,366	(0.2)	20,556,193	20,493,406	0.3
Retained earnings	18,532,365	12,797,562	44.8	35,324,593	27,520,829	28.4
Total shareholders' equity	49,174,306	43,469,552	13.1	66,605,410	58,738,859	13.4
Non-controlling interests	-	-	-	6,216,853	5,323,419	16.8
Total equity	49,174,306	43,469,552	13.1	72,822,263	64,062,278	13.7
Total equity and liabilities	1,137,633,732	1,026,768,858	10.8	1,253,014,996	1,139,257,954	10.0
Contingent Liabilities and Commitments	217,802,645	182,573,201	19.3	217,826,563	182,597,119	19.3
No of Employees	8,206	8,156		10,488	10,331	
No of Branches	739	739		829	829	

STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS 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)	Investment fund (Rs.'000)	Available For Sale Reserve (Rs.'000)	Retained earnings (Rs.'000)	(Rs.'000)
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 year	-	-	-	-	-	-	-	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)
Deferred tax effect on defined benefit plans	-	-	-	-	-	-	-	(77,795)	(77,795)
Transfers to reserves during the period	-	-	710,941	-	1,875,000	157,096	-	(2,743,037)	-
Dividend Paid to GOSL	-	-	-	-	-	-	-	(219,690)	(219,690)
Special Levy to Treasury	-	-	-	-	-	-	-	(6,000,000)	(6,000,000)
Transfers to Retained earnings during the period	-	-	-	-	-	(6,572,453)	-	6,572,453	-
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
Profit for the period	-	-	-	-	-	-	-	8,921,752	8,921,752
Changes in Fair Value in AFS Investments	-	-	-	-	-	-	-	-	-
Net Defined Benefit obligation	-	-	-	-	-	-	-	-	-
Disposal loss of Property, Plant and Equipment	-	-	-	(30,048)	-	-	-	-	(30,048)
Transfers to reserves during the period	-	-	-	-	-	-	-	-	-
Transfers to Retained earnings during the period	-	-	-	-	-	-	-	-	-
Dividend Paid to GOSL	-	-	-	-	-	-	-	(164,768)	(164,768)
Special Levy to Treasury	-	-	-	-	-	-	-	(3,022,181)	(3,022,181)
Tax on other comprehensive income	-	-	-	-	-	-	-	-	-
Balance as at 30.09.2015	49,998	7,152,000	3,522,626	10,846,499	8,828,873	-	241,946	18,532,365	49,174,306

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 01.01.2014	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 year	-	-	-	-	-	-	-	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)
Gain on revaluation of Land and Building - Associate	-	-	-	-	-	-	-	-	-	-	-
Transfer to Reserve during the period	-	-	710,941	-	1,875,000	157,096	-	(2,743,787)	(750)	(250)	(1,000)
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)
Transfers to Retained Earnings during the period	-	-	-	-	-	(7,621,032)	-	7,621,032	-	-	-
Gains and losses on derivative financial Assets	-	-	-	-	-	-	-	(15,797)	(15,797)	(5,265)	(21,061)
Dividend payment	-	-	-	-	-	-	-	-	-	(493,708)	(493,708)
Deffered tax effect on defined benefit plans	-	-	-	-	-	-	-	(63,019)	(63,019)	4,925	(58,094)
Balance as at 01.01.2015	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
Profit for the period	-	-	-	-	-	-	-	10,907,983	10,907,983	858,251	11,766,234
Changes in Fair Value in AFS Investments	-	-	-	-	-	-	92,836	-	92,836	30,945	123,781
Net Defined Benefit obligation	-	-	-	-	-	-	-	546	546	182	728
Disposal loss of Property, Plant and Equipment	-	-	-	(30,048)	-	-	-	-	(30,048)	-	(30,048)
Gain on revaluation of Land and Building - Associate	-	-	-	-	-	-	-	-	-	-	-
Acquired During the Year	-	-	-	-	-	-	-	-	-	191,396	191,396
Share Issue Expenses	-	-	-	-	-	-	-	(1,553)	(1,553)	(518)	(2,070)
Dividend Paid to GOSL	-	-	-	-	-	-	-	(164,768)	(164,768)	-	(164,768)
Changes of holding in Associate	-	-	-	-	-	-	-	51,758	51,758	-	51,758
Special Levy to Treasury	-	-	-	-	-	-	-	(3,022,181)	(3,022,181)	-	(3,022,181)
Movement in deemed disposal profit	-	-	-	-	-	-	-	-	-	-	-
Deferred tax effect on defined benefit plans	-	-	-	-	-	-	-	(106)	(106)	(35)	(141)
Gains and losses on derivative financial Assets	-	-	-	-	-	-	-	32,084	32,084	10,696	42,780
Dividend payment	-	-	-	-	-	-	-	-	-	(197,483)	(197,483)
Tax on other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30.09.2015	49,998	7,152,000	3,522,626	11,363,270	8,828,873	-	364,051	35,324,593	66,605,410	6,216,853	72,822,263

CASH FLOW STATEMENT				
FOR THE NINE MONTHS ENDED 30TH SEPTEMBER				
	BANK		GROUP	
	2015 (Rs.'000) (Unaudited)	2014 (Rs.'000) (Unaudited)	2015 (Rs.'000) (Unaudited)	2014 (Rs.'000) (Unaudited)
Cash flows from operating activities				
Profit before tax	12,503,487	11,528,624	16,943,506	15,307,095
Adjustment for				
Non-cash items included in profits before tax	6,467,745	(657,387)	7,355,045	384,171
Changes in operating assets	(120,027,813)	(326,268)	(122,363,320)	(6,827,212)
Changes in operating liabilities	101,711,638	13,083,109	101,588,959	20,675,697
Net gains from investing activities	-	-	-	-
Share of profits in associates and joint ventures	-	-	-	-
Dividend income from subsidiaries and associates	(729,397)	-	(170,461)	-
Interest expense on subordinated debt	1,490,625	1,490,625	1,490,625	1,490,625
Contribution paid to defined benefit plans/Gratuity	1,209,697	526,681	1,239,062	526,681
Tax paid	(1,763,131)	(2,774,004)	(3,115,725)	(4,002,644)
Net Cash Generated from Operating Activities	862,851	22,871,380	2,967,693	27,554,415
Cash Flows from Investing Activities				
Purchase of property, plant and equipment	(1,376,896)	(1,049,107)	(2,536,546)	(1,866,518)
Proceeds from the sale of property, plant and equipment	28,012	35,020	34,443	39,142
Purchase of financial investments	(8,332,908)	(17,711,713)	(8,592,561)	(20,302,994)
Proceeds from the sale and maturity of financial investments	-	-	-	-
Net purchase of intangible assets	(36,934)	(72,233)	(574,355)	(88,110)
Net cash flow from acquisition of investment in subsidiaries and associates	(256,758)	-	-	19,872
Net cash flow from disposal of subsidiaries	-	150,000	-	-
Proceeds from disposal of associates and joint ventures	-	-	426,502	-
Dividends received from investment in subsidiaries and associates	729,397	-	170,461	-
Others	-	-	-	-
Net Cash (used in) from Investing Activities	(9,246,087)	(18,648,033)	(11,072,056)	(22,198,609)
Cash Flows from Financing Activities				
Net proceeds from the issue of subordinated debt	-	-	94,308	-
Repayment of subordinated debt	-	-	-	-
Interest paid on subordinated debt	(1,490,625)	(1,490,625)	(1,490,625)	(2,479,969)
Dividend paid to GOSL	(164,768)	-	(164,768)	(197,483)
Dividend paid to non-controlling interest	-	-	(197,483)	-
Dividend paid to holders of other equity instruments	(3,022,181)	(4,164,768)	(3,022,181)	(4,164,768)
Share issue expenses	-	-	-	-
Disposal of changes of holdings	-	-	-	-
Net Cash from Financial Activities	(4,677,574)	(5,655,393)	(4,780,749)	(6,842,220)
Net Increase/(Decrease) in Cash & Cash Equivalents	(13,060,811)	(1,432,046)	(12,885,112)	(1,486,414)
Cash and cash equivalents at the beginning of the year	37,355,549	18,772,595	39,418,068	20,801,230
Exchange difference in respect of cash & cash equivalent	-	-	-	-
Cash and cash equivalents at the end of the period	24,294,738	17,340,549	26,532,956	19,314,816

ADDITIONAL DISCLOSURES

	BANK		GROUP	
	30.09.2015	31.12.2014	30.09.2015	31.12.2014
	(Rs.'000)	(Rs. '000)	(Rs.'000)	(Rs. '000)
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Loans and Receivables to Other Customers				
Gross loans and receivables	811,381,448	685,309,929	912,969,603	782,301,028
(Less) : Individual impairment	(41,163,101)	(40,901,653)	(41,484,630)	(41,422,080)
Collective impairment	(20,970,049)	(17,199,214)	(22,993,126)	(18,779,465)
Net loans and receivables	749,248,297	627,209,062	848,491,847	722,099,483
Analysis -Domestic Currency				
By product				
Overdrafts	87,145,783	72,373,142	86,540,007	71,603,389
Term loans	387,820,016	299,923,798	409,939,661	318,994,153
Lease Rental Receivable	-	-	78,192,899	77,251,858
Credit Cards	1,405,284	1,405,769	1,405,284	1,405,769
Pawning	114,122,018	113,946,014	114,122,018	113,946,014
Trade Finance	22,202,428	41,450,202	22,202,428	41,450,202
Others	15,514,187	13,872,415	17,395,574	15,311,054
Sub Total	628,209,716	542,971,340	729,797,871	639,962,439
Analysis -Foreign Currency				
By product				
Overdrafts	279,833	349,826	279,833	349,826
Term loans	20,987,442	15,807,034	20,987,442	15,807,034
Lease Rental Receivable	-	-	-	-
Credit Cards	-	-	-	-
Pawning	-	-	-	-
Trade Finance	161,904,457	126,181,729	161,904,457	126,181,729
Others	-	-	-	-
Sub Total	183,171,732	142,338,589	183,171,732	142,338,589
Grand Total	811,381,448	685,309,929	912,969,603	782,301,028
Movements in Individual and Collective Impairment during the period for loans and Receivables to other customers				
	BANK		GROUP	
	30.09.2015	31.12.2014	30.09.2015	31.12.2014
	(Rs.'000)	(Rs. '000)	(Rs.'000)	(Rs. '000)
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Allowance for Individual impairment				
Opening balance	40,901,653	39,341,542	41,422,080	39,530,980
Charge (Write-back) to income statement	-	-	-	-
Write-off during the year	-	-	-	-
Other Movements	261,448	1,560,111	62,550	1,891,100
Closing balance	41,163,101	40,901,653	41,484,630	41,422,080
Allowance for Collective impairment				
Opening balance	17,199,214	22,295,587	18,779,465	23,645,119
Charge (Write-back) to income statement	3,805,194	(4,204,461)	4,248,020	(3,973,744)
Write-off during the year	(224,508)	(920,896)	(224,509)	(920,896)
Other Movements	190,148	28,984	190,150	28,986
Closing balance	20,970,049	17,199,214	22,993,126	18,779,465
Total Impairment	62,133,150	58,100,867	64,477,756	60,201,545
Due to Other Customers				
Analysis				
Product Wise Analysis - Domestic Currency				
Demand deposit (current accounts)	46,538,981	46,944,284	45,404,187	44,939,349
Savings deposits	347,725,327	304,528,659	352,900,227	309,810,133
Fixed deposits	376,548,617	371,049,288	407,792,820	403,449,713
Other products	4,367,141	2,789,361	4,367,141	2,789,361
Sub Total	775,180,066	725,311,592	810,464,375	760,988,556
Due to Other Customers				
Product Wise Analysis - Foreign Currency				
Demand deposit (current accounts)	1,298,318	1,211,226	1,298,318	1,211,226
Savings deposits	15,552,131	14,418,441	15,552,131	14,418,441
Fixed deposits	77,808,605	52,320,461	77,808,605	52,320,461
Other products	-	80,013	-	80,013
Sub Total	94,659,054	68,030,141	94,659,054	68,030,141
Grand Total	869,839,120	793,341,733	905,123,429	829,018,697

SELECTED PERFORMANCE INDICATORS

	BANK		GROUP	
	As at 30.09.2015 (Unaudited)	As at 31.12.2014 (Audited)	As at 30.09.2015 (Unaudited)	As at 31.12.2014 (Audited)
Regulatory Capital Adequacy				
Core Capital (Tier 1 Capital), Rs. '000	36,547,427	36,939,096	56,229,421	56,368,837
Total Capital Base, Rs. '000	49,538,314	48,491,842	69,959,758	67,965,047
Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 5%)	8.9	10.9	10.5	12.4
Total capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 10%)	12.0	14.3	13.0	14.9
Assets Quality (Quality of Loan Portfolio)				
Gross Non- Performing Advances Ratio, % (net of Interest in Suspense)	3.5	3.2	3.3	3.2
Net Non- Performing Advances Ratio, % (net of interest in suspense and provisions)	0.9	0.5	0.8	0.5
Profitability				
Interest Margin, %	4.0	3.1	4.5	3.7
Return on Assets (Before Tax), %	1.5	1.8	1.9	2.0
Return on Equity (After Tax), %	25.7	35.5	22.9	28.5
Regulatory Liquidity				
Statutory Liquid Assets,				
Domestic Banking Unit Rs.'000	223,345,990	244,731,344		
Off- Shore Banking Unit US\$ ('000)	288,859	230,652		
Statutory Liquid Assets, Ratio % (Minimum Requirement, 20%)				
Domestic Banking Unit	25.6	30.3		
Off- Shore Banking Unit	23.8	21.8		

MEASUREMENT OF FINANCIAL INSTRUMENTS

BANK AS AT 30.09.2015

	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	-	-	-	24,294,738	-	24,294,738
Balances with Central Banks	-	-	-	44,086,440	-	44,086,440
Placements with Banks	-	-	-	1,788,774	-	1,788,774
Derivative Financial Instruments	-	-	-	-	-	-
Financial assets held-for-trading	111,628,175	-	-	-	-	111,628,175
Loans and receivables to banks	-	-	-	83,167,843	-	83,167,843
Loans and receivables to other customers	-	-	-	749,248,297	-	749,248,297
Financial investments	-	-	90,833,819	-	1,379,312	92,213,131
Current tax	-	-	-	-	-	-
Total financial assets	111,628,175	-	90,833,819	902,586,092	1,379,312	<u>1,106,427,398</u>
LIABILITIES						
Due to banks	-	-	-	128,578,962	-	128,578,962
Derivative Financial Instruments	-	407,510	-	-	-	407,510
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-	-
Due to other customers	-	-	-	869,839,120	-	869,839,120
Other Borrowings	-	-	-	55,745,416	-	55,745,416
Subordinated term debts	-	-	-	15,032,542	-	15,032,542
Total financial liabilities	-	407,510	-	1,069,196,040	-	<u>1,069,603,550</u>

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
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>965,589,492</u>

MEASUREMENT OF FINANCIAL INSTRUMENTS

GROUP AS AT 30.09.2015

	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	-	-	-	26,532,956	-	26,532,956
Balances with Central Banks	-	-	-	44,086,440	-	44,086,440
Placements with Banks	-	-	-	1,788,774	-	1,788,774
Derivative Financial Instruments	-	23,925	-	-	-	23,925
Financial assets held-for-trading	112,220,374	-	-	-	-	112,220,374
Loans and receivables to banks	-	-	-	83,563,913	-	83,563,913
Loans and receivables to other customers	-	-	-	848,491,847	-	848,491,847
Financial investments	-	-	96,303,019	-	3,309,745	99,612,764
Total financial assets	112,220,374	23,925	96,303,019	1,004,463,930	3,309,745	<u>1,216,320,994</u>
LIABILITIES						
Due to banks	-	-	-	148,983,180	-	148,983,180
Derivative Financial Instruments	-	407,510	-	-	-	407,510
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-	-
Due to other customers	-	-	-	905,123,429	-	905,123,429
Other Borrowings	-	-	-	72,260,039	-	72,260,039
Subordinated term debts	-	-	-	24,977,440	-	24,977,440
Total financial liabilities	-	407,510	-	1,151,344,087	-	<u>1,151,751,597</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>

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 Unaudited financial statements of the bank and the group unless indicated as Audited.

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

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

(Sgd.)
Hemasiri Fernando
Chairman

24.11.2015
Colombo.

