



**PEOPLE'S
BANK**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER

2019

FITCH RATING AA+ (LKA)

INCOME STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER

	BANK			GROUP		
	2019 (Rs. '000) (Audited)	2018* (Rs. '000) (Audited)	Change %	2019 (Rs. '000) (Audited)	2018* (Rs. '000) (Audited)	Change %
Gross Income	197,039,605	181,283,878	8.7	235,529,351	214,663,964	9.7
Interest income	184,024,838	166,441,208	10.6	217,236,668	195,617,287	11.1
Interest expenses	(125,507,699)	(111,034,922)	13.0	(141,316,697)	(124,457,189)	13.5
Net Interest Income	58,517,139	55,406,286	5.6	75,919,971	71,160,098	6.7
Fee and commission income	7,336,594	6,956,292	5.5	8,595,802	7,813,893	10.0
Fee and commission expenses	(426,758)	(363,442)	17.4	(426,758)	(363,442)	17.4
Net Fee and Commission Income	6,909,836	6,592,850	4.8	8,169,044	7,450,451	9.6
Net gain / (loss) from trading	2,721,543	4,555,089	(40.3)	2,678,985	4,467,581	(40.0)
Other operating income (net)	2,956,630	3,331,289	(11.2)	7,017,896	6,765,203	3.7
Total Operating Income	71,105,148	69,885,514	1.7	93,785,896	89,843,333	4.4
Impairment Charge	(5,798,646)	(2,623,970)	121.0	(8,988,139)	(4,127,536)	117.8
Loans & advances to Customers	(5,017,941)	(3,767,562)		(7,078,583)	(4,680,450)	
Other Financial Assets	(780,705)	1,441,816		(780,705)	1,441,816	
Others	-	(298,224)		(1,128,851)	(888,902)	
Net Operating Income	65,306,502	67,261,544	(2.9)	84,797,757	85,715,797	(1.1)
Personnel Expenses	(19,494,074)	(19,904,835)	(2.1)	(23,968,761)	(23,882,867)	0.4
Depreciation and Amortisation	(3,995,031)	(1,765,824)	126.2	(4,606,557)	(2,105,934)	118.7
Other Expenses	(13,241,418)	(13,639,123)	(2.9)	(19,053,585)	(19,124,552)	(0.4)
Operating Profit Before Value Added Tax (VAT), Nation Building Tax (NBT) and Debt Repayment Levy (DRL)	28,575,979	31,951,762	(10.6)	37,168,854	40,602,444	(8.5)
VAT , NBT and DRL on financial services	(8,909,795)	(7,545,272)	18.1	(11,506,461)	(9,440,846)	21.9
Operating Profit after VAT, NBT and DRL	19,666,184	24,406,490	(19.4)	25,662,393	31,161,598	(17.6)
Share of Profits/(Loss) of Associates (Net of Tax)	-	-	-	(10,142)	-	-
Profit Before Tax	19,666,184	24,406,490	(19.4)	25,652,251	31,161,598	(17.7)
Income Tax Expenses	(6,740,501)	(7,311,567)	(7.8)	(9,474,083)	(9,669,455)	(2.0)
Profit for the Year	12,925,683	17,094,923	(24.4)	16,178,168	21,492,143	(24.7)
Profit Attributable to :						
Equity Holders of the Bank	12,925,683	17,094,923	(24.4)	14,984,837	19,977,861	(25.0)
Non-Controlling Interests	-	-	-	1,193,331	1,514,282	(21.2)
	12,925,683	17,094,923	(24.4)	16,178,168	21,492,143	(24.7)
Earnings Per Share on Profit						
Basic Earnings per Ordinary Share [Rs.]	12.926	17.095	(24.4)	14.985	19.978	(25.0)
Diluted Earnings per Ordinary Share [Rs.]	53	70	(24.4)	61	82	(25.0)

* Certain comparative figures have been reclassified to conform to the current period presentation

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER**

	BANK		GROUP	
	2019 (Rs. '000) (Audited)	2018 (Rs. '000) (Audited)	2019 (Rs. '000) (Audited)	2018 (Rs. '000) (Audited)
Profit for the Year	12,925,683	17,094,923	16,178,168	21,492,143
Other comprehensive income that will not be reclassified to the income statement				
Net Gains/(Losses) on equity instruments at fair value through OCI	189,223	17,560	60,148	17,560
Net Actuarial Gains and Losses on Defined Benefit Plans	(10,051,678)	721,465	(10,071,728)	696,602
Deferred Tax Effect on Defined Benefit Plans	2,814,470	(202,010)	2,819,408	(195,646)
Gains on Revaluation of Land and Buildings	-	-	238,323	50,000
Deferred tax effect on revaluation of Land and Buildings	-	-	(66,730)	(10,000)
Deferred tax effect on land revaluation in previous years	-	-	(83,385)	(84,563)
Share of other comprehensive income of associate company (net of tax)	-	-	(379)	-
Other comprehensive income that will be reclassified to the income statement				
Net Gains/(Losses)[including change in ECL] on debt instruments at fair value through OCI	296,507	(2,154)	296,507	(2,154)
Net Gains/(Losses) on translating the financial statements of foreign operation	-	-	(50,796)	372,005
Other Comprehensive Income for the Year, Net of Taxes	(6,751,478)	534,861	(6,858,632)	843,804
Total Comprehensive Income for the Year	6,174,205	17,629,784	9,319,536	22,335,947
Attributable to :				
Equity Holders of the Bank	6,174,205	17,629,784	8,132,499	20,744,446
Non-Controlling Interests	-	-	1,187,037	1,591,501
	6,174,205	17,629,784	9,319,536	22,335,947

STATEMENT OF FINANCIAL POSITION

AS AT

	BANK			GROUP		
	31.12.2019 (Rs. '000) (Audited)	31.12.2018 (Rs. '000) (Audited)	Change %	31.12.2019 (Rs. '000) (Audited)	31.12.2018 (Rs. '000) (Audited)	Change %
Assets						
Cash and Cash Equivalents	50,703,158	57,879,933	(12.4)	51,594,638	58,835,090	(12.3)
Balances with Central Bank of Sri Lanka	38,858,470	51,615,796	(24.7)	38,858,470	51,615,796	(24.7)
Placements with Banks	9,689,132	4,350,726	122.7	13,395,360	9,096,252	47.3
Derivative Financial Instruments	90,560	1,163,384	(92.2)	90,560	1,163,384	(92.2)
Financial Assets - At Fair Value through Profit or Loss	79,514,568	54,052,435	47.1	80,405,966	54,300,238	48.1
Financial Assets - At Amortised Cost						
Loans and advances to Banks	29,771,919	32,167,421	(7.4)	29,771,919	32,551,657	(8.5)
Loans and advances to Other Customers	1,310,150,137	1,265,667,467	3.5	1,460,497,766	1,415,927,536	3.1
Debt instruments measured at amortised cost	280,935,892	201,650,435	39.3	290,739,848	209,696,173	38.6
Financial Assets - At Fair Value through other Comprehensive income [OCI]						
Equity instruments at fair value through OCI	1,997,896	1,179,922	69.3	1,772,838	1,179,956	50.2
Debt instruments at fair value through OCI	2,573,067	4,731,261	(45.6)	2,573,067	4,756,298	(45.9)
Investments in Subsidiaries	1,205,414	1,027,542	17.3	-	-	-
Investments in Associates	-	-	-	531,085	-	-
Investment Properties	1,263,045	1,264,752	(0.1)	1,259,206	175,795	616.3
Property, Plant, Equipment and Right of use assets	34,310,028	26,259,745	30.7	43,744,442	35,434,318	23.5
Prepaid Leases	-	461,043	(100.0)	-	545,874	(100.0)
Intangible Assets and Goodwill	700,875	439,517	59.5	1,090,714	869,473	25.4
Other Assets	31,642,057	30,791,610	2.8	33,448,808	32,392,393	3.3
Total Assets	1,873,406,218	1,734,702,989	8.0	2,049,774,687	1,908,540,233	7.4
Liabilities						
Due to Banks	207,484,446	138,031,420	50.3	219,434,075	172,247,861	27.4
Derivative Financial Instruments	59,748	2,512,205	(97.6)	59,748	2,512,205	(97.6)
Due to Other Customers	1,491,385,937	1,422,961,240	4.8	1,588,903,098	1,495,326,489	6.3
Other Borrowings	17,324,960	35,575,554	(51.3)	16,289,502	35,082,488	(53.6)
Current Tax Liabilities	3,775,283	4,004,218	(5.7)	6,127,935	5,075,102	20.7
Net Deferred Tax Liabilities	1,071,797	3,954,834	(72.9)	2,821,420	7,347,484	(61.6)
Other Liabilities	34,625,117	23,919,689	44.8	45,610,085	34,350,628	32.8
Subordinated Term Debts	22,714,490	12,533,904	81.2	40,513,091	33,084,526	22.5
Total Liabilities	1,778,441,778	1,643,493,064	8.2	1,919,758,954	1,785,026,783	7.5
Equity						
Stated Capital/Assigned Capital	12,201,998	12,201,998	-	12,201,998	12,201,998	-
Statutory Reserve Fund	7,315,774	6,669,490	9.7	7,315,774	6,669,490	9.7
Other Reserves	27,368,542	26,008,948	5.2	29,297,472	28,027,230	4.5
Retained Earnings	48,078,126	46,329,489	3.8	70,339,829	66,494,500	5.8
Total Shareholders' Equity	94,964,440	91,209,925	4.1	119,155,073	113,393,218	5.1
Non-Controlling Interests	-	-	-	10,860,660	10,120,232	7.3
Total Equity	94,964,440	91,209,925	4.1	130,015,733	123,513,450	5.3
Total Equity and Liabilities	1,873,406,218	1,734,702,989	8.0	2,049,774,687	1,908,540,233	7.4
Contingent Liabilities and Commitments	363,925,754	402,761,963	(9.6)	370,985,611	409,575,397	(9.4)
Number of Employees	7,836	8,093		11,237	11,394	
Number of Branches	739	738		845	852	

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER**

BANK

	Stated capital/Assigned capital		Reserves				Retained Earnings (Rs.'000)	Total (Rs.'000)
	Ordinary Shares (Rs.'000)	Assigned capital (Rs.'000)	Statutory Reserve Fund (Rs.'000)	Revaluation Reserve (Rs.'000)	Other Reserves (Rs.'000)	Financial assets at FVOCI Reserve (Rs.'000)		
Balance as at 1st January 2018	49,998	12,152,000	5,814,744	14,051,911	10,952,737	115,030	33,863,412	76,999,832
Total Comprehensive Income for the year								
Profit for the year	-	-	-	-	-	-	17,094,923	17,094,923
Other comprehensive income/(Expense) [Net of Taxes]	-	-	-	-	-	15,406	519,455	534,860
Total Comprehensive Income/(Expense)	-	-	-	-	-	15,406	17,614,378	17,629,783
Transactions with equity holders, recognised directly in equity								
Transfer to Reserve during the Year	-	-	854,746	-	873,864	-	(1,728,611)	-
Special levy to Treasury/ Dividend	-	-	-	-	-	-	(3,419,690)	(3,419,690)
Total Transactions with Equity Holders	-	-	854,746	-	873,864	-	(5,148,301)	(3,419,690)
Balance as at 31st December 2018	49,998	12,152,000	6,669,490	14,051,911	11,826,601	130,436	46,329,489	91,209,925
Balance as at 1st January 2019	49,998	12,152,000	6,669,490	14,051,911	11,826,601	130,436	46,329,489	91,209,925
Total Comprehensive Income for the year								
Profit for the Year	-	-	-	-	-	-	12,925,683	12,925,683
Other comprehensive income/(Expense) [Net of Taxes]	-	-	-	-	-	485,730	(7,237,208)	(6,751,478)
Total Comprehensive Income/(Expense)	-	-	-	-	-	485,730	5,688,475	6,174,205
Transactions with Equity Holders, Recognised Directly in Equity								
Transfer to Reserve during the year	-	-	646,284	-	873,864	-	(1,520,148)	-
Special levy to Treasury/ Dividend	-	-	-	-	-	-	(2,419,690)	(2,419,690)
Total Transactions with Equity Holders	-	-	646,284	-	873,864	-	(3,939,838)	(2,419,690)
Balance as at 31st December 2019	49,998	12,152,000	7,315,774	14,051,911	12,700,465	616,166	48,078,126	94,964,440

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER

GROUP

	Stated capital/ Assigned capital		Reserves				Retained earnings (Rs.'000)	Total (Rs.'000)	Non controlling interest (Rs.'000)	Total equity (Rs.'000)
	Ordinary shares (Rs.'000)	Assigned capital (Rs.'000)	Statutory Reserve Fund (Rs.'000)	Revaluation Reserve (Rs.'000)	Other Reserves (Rs.'000)	Financial assets at FVOCI Reserve (Rs.'000)				
Balance as at 1st January 2018	49,998	12,152,000	5,814,744	15,831,237	10,946,111	115,030	51,159,341	96,068,461	9,122,451	105,190,912
Total Comprehensive Income for the year										
Profit for the year	-	-	-	-	-	-	19,977,862	19,977,862	1,514,281	21,492,143
Other comprehensive income/(Expense) [Net of Taxes]	-	-	-	(33,422)	279,004	15,406	505,597	766,585	77,219	843,804
Total Comprehensive Income/(Expense)	-	-	-	(33,422)	279,004	15,406	20,483,459	20,744,447	1,591,500	22,335,947
Transactions with Equity Holders, Recognised Directly in Equity										
Transfer to Reserve during the period	-	-	854,746	-	873,864	-	(1,728,610)	-	-	-
Special levy to Treasury/ Dividend	-	-	-	-	-	-	(3,419,690)	(3,419,690)	-	(3,419,690)
Dividends Paid	-	-	-	-	-	-	-	-	(593,719)	(593,719)
Total Transactions with Equity Holders	-	-	854,746	-	873,864	-	(5,148,300)	(3,419,690)	(593,719)	(4,013,409)
Balance as at 31st December 2018	49,998	12,152,000	6,669,490	15,797,815	12,098,979	130,436	66,494,500	113,393,218	10,120,232	123,513,450
Balance as at 1st January 2019	49,998	12,152,000	6,669,490	15,797,815	12,098,979	130,436	66,494,500	113,393,218	10,120,232	123,513,450
Total Comprehensive Income for the year										
Profit for the year	-	-	-	-	-	-	14,984,837	14,984,837	1,193,331	16,178,168
Other comprehensive income/(Expense) [Net of Taxes]	-	-	-	66,156	(38,097)	368,319	(7,248,716)	(6,852,338)	(6,294)	(6,858,632)
Total Comprehensive Income/(Expense)	-	-	-	66,156	(38,097)	368,319	7,736,121	8,132,499	1,187,037	9,319,536
Transactions with Equity Holders, Recognised Directly in Equity										
Movement due to changes in ownership	-	-	-	-	-	-	49,046	49,046	(41,613)	7,433
Transfer to Reserve during the year	-	-	646,284	-	873,864	-	(1,520,148)	-	-	-
Special levy to Treasury/ Dividend	-	-	-	-	-	-	(2,419,690)	(2,419,690)	-	(2,419,690)
Dividends Paid	-	-	-	-	-	-	-	-	(404,996)	(404,996)
Total Transactions with Equity Holders	-	-	646,284	-	873,864	-	(3,890,792)	(2,370,644)	(446,609)	(2,817,253)
Balance as at 31st December 2019	49,998	12,152,000	7,315,774	15,863,971	12,934,746	498,755	70,339,829	119,155,073	10,860,660	130,015,733

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER

	BANK		GROUP	
	2019 (Rs. '000) (Audited)	2018 (Rs. '000) (Audited)	2019 (Rs. '000) (Audited)	2018 (Rs. '000) (Audited)
Cash flows from operating activities				
Profit before tax	19,666,184	24,406,490	25,652,251	31,161,598
Adjustment for				
Non-cash items included in profits before tax	8,843,984	11,033,110	13,229,416	12,855,135
Changes in operating assets	(64,575,135)	(193,146,843)	(68,152,572)	(213,458,424)
Changes in operating liabilities	111,744,283	249,321,384	113,568,374	266,028,450
Dividend income from subsidiaries and others	(1,649,546)	(1,653,163)	(221,470)	(210,112)
Interest expense on subordinated debt	1,818,086	1,612,592	4,142,736	3,960,814
Contribution paid to defined benefit plans/Gratuity	1,509,520	1,629,163	1,623,197	1,751,198
Tax paid	(7,038,003)	(8,075,049)	(10,278,021)	(9,096,865)
Net Cash Generated from Operating Activities	70,319,373	85,127,684	79,563,911	92,991,793
Cash Flows from Investing Activities				
Purchase of investment property	-	(44,160)	-	-
Purchase of property, plant and equipment	(2,736,392)	(2,863,760)	(3,031,184)	(3,505,913)
Proceeds from the sale of property, plant and equipment	88,481	74,206	118,794	78,220
Purchase of financial investments	(79,672,137)	(89,673,318)	(81,430,355)	(92,932,281)
Net purchase of intangible assets	(430,317)	(321,788)	(439,871)	(344,224)
Dividends received from investment in subsidiaries and Others	1,649,546	1,653,163	221,470	210,112
Net Cash (used in) from Investing Activities	(81,100,819)	(91,175,657)	(84,561,146)	(96,494,086)
Cash Flows from Financing Activities				
Proceed received from subordinated debt	10,000,000	-	10,000,000	6,000,000
Repayment of subordinated debt	-	-	(2,717,820)	(5,213,713)
Interest paid on subordinated debt	(1,637,500)	(1,610,416)	(3,996,351)	(4,110,498)
Repayment of Lease Liabilities	(2,338,139)	-	(2,704,360)	-
Dividend paid to non-controlling interest	-	-	(404,996)	(593,719)
Dividend/Levy paid to holders of other equity instruments	(2,419,690)	(3,419,690)	(2,419,690)	(3,419,690)
Net Cash from Financial Activities	3,604,671	(5,030,106)	(2,243,217)	(7,337,620)
Net Increase/(Decrease) in Cash & Cash Equivalents	(7,176,774)	(11,078,079)	(7,240,452)	(10,839,913)
Cash and cash equivalents at the beginning of the year	57,879,933	68,958,012	58,835,090	69,675,003
Cash and cash equivalents at the end of the Year	50,703,158	57,879,933	51,594,638	58,835,090

ANALYSIS OF LOANS & ADVANCES TO OTHER CUSTOMERS

	BANK		GROUP	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	(Rs. '000) (Audited)	(Rs. '000) (Audited)	(Rs. '000) (Audited)	(Rs. '000) (Audited)
Loans and advances to Other Customers				
Gross Loans and advances	1,383,791,134	1,334,420,260	1,541,037,535	1,489,920,155
Less :				
Allowance for Expected Credit Losses	(73,640,997)	(68,752,793)	(80,539,769)	(73,992,619)
Stage 1	(5,036,021)	(5,110,245)	(5,693,729)	(5,649,333)
Stage 2	(1,442,409)	(1,752,572)	(2,178,583)	(2,486,192)
Stage 3	(67,162,567)	(61,889,976)	(72,667,457)	(65,857,094)
Net Loans and advances	1,310,150,137	1,265,667,467	1,460,497,766	1,415,927,536
Product-wise Gross loans & advances				
By product – Domestic currency				
Overdrafts	143,430,730	128,064,782	142,707,101	124,559,325
Term loans	627,366,005	627,127,993	685,662,274	683,488,108
Lease rentals receivable	-	-	88,287,070	95,132,968
Credit cards	3,336,587	2,883,268	3,336,587	2,883,268
Pawning	162,582,929	149,825,847	162,582,929	149,935,284
Trade Finance	72,098,832	108,206,301	72,098,832	108,206,301
Others	22,039,395	19,882,764	30,772,372	27,285,596
Sub Total	1,030,854,478	1,035,990,955	1,185,447,165	1,191,490,850
By product – Foreign currency				
Overdrafts	2,017,871	1,136,306	2,017,871	1,136,306
Term loans	188,921,007	124,723,981	191,574,721	124,723,981
Trade Finance	161,997,778	172,569,018	161,997,778	172,569,018
Sub Total	352,936,656	298,429,305	355,590,370	298,429,305
Grand Total	1,383,791,134	1,334,420,260	1,541,037,535	1,489,920,155
Movement in Allowance for Expected Credit loss during the year				
BANK	Stage 1	Stage 2	Stage 3	Total
Opening balance as at 1 st January 2019	5,110,245	1,752,572	61,889,976	68,752,793
Net Charge/(Reversal) for the year	(74,224)	(310,163)	5,402,328	5,017,941
Amounts written off	-	-	(95,638)	(95,638)
Exchange rate variance on foreign currency Impairment	-	-	(34,099)	(34,099)
Closing balance as at 31st December 2019	5,036,021	1,442,409	67,162,567	73,640,997
BANK	Stage 1	Stage 2	Stage 3	Total
Opening balance as at 1 st January 2018	2,844,135	1,101,605	55,942,676	59,888,416
Net Charge/(Reversal) for the year	2,266,110	650,967	850,485	3,767,562
Interest pertaining to Non Performing Loans	-	-	4,693,490	4,693,490
Amounts written off	-	-	(160,306)	(160,306)
Exchange rate variance on foreign currency Impairment	-	-	563,631	563,631
Closing balance as at 31st December 2018	5,110,245	1,752,572	61,889,976	68,752,793
GROUP	Stage 1	Stage 2	Stage 3	Total
Opening balance as at 1 st January 2019	5,649,333	2,486,192	65,857,094	73,992,619
Net Charge/(Reversal) for the year	67,941	(229,402)	7,240,044	7,078,583
Amounts written off	-	-	(95,638)	(95,638)
Exchange rate variance on foreign currency Impairment	-	-	(34,099)	(34,099)
Deemed Disposal of Subsidiary during the year	(23,545)	(78,207)	(299,944)	(401,696)
Closing balance as at 31st December 2019	5,693,729	2,178,583	72,667,457	80,539,769
GROUP	Stage 1	Stage 2	Stage 3	Total
Opening balance as at 1 st January 2018	3,525,728	1,743,846	58,945,780	64,215,354
Net Charge/(Reversal) for the year	2,123,605	742,346	1,814,499	4,680,450
Interest pertaining to Non Performing Loans	-	-	4,693,490	4,693,490
Amounts written off	-	-	(160,306)	(160,306)
Exchange rate variance on foreign currency Impairment	-	-	563,631	563,631
Closing balance as at 31st December 2018	5,649,333	2,486,192	65,857,094	73,992,619

ANALYSIS OF DEPOSITS

	BANK		GROUP	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	(Rs.'000)	(Rs. '000)	(Rs.'000)	(Rs. '000)
	(Audited)	(Audited)	(Audited)	(Audited)
By product – Domestic currency				
Demand deposits (current accounts)	51,681,263	60,765,394	50,213,752	58,857,717
Savings deposits	491,643,881	455,323,630	497,600,897	460,563,427
Fixed deposits	814,577,767	804,075,204	900,005,863	867,501,720
Others	3,262,093	4,423,184	10,861,653	10,029,797
Sub total	1,361,165,004	1,324,587,412	1,458,682,165	1,396,952,661
By product – Foreign currency				
Demand deposits (current accounts)	1,460,522	2,904,892	1,460,522	2,904,892
Savings deposits	21,586,421	20,227,442	21,586,421	20,227,442
Fixed deposits	107,074,611	75,194,053	107,074,611	75,194,053
Others	99,379	47,441	99,379	47,441
Sub total	130,220,933	98,373,828	130,220,933	98,373,828
Grand Total	1,491,385,937	1,422,961,240	1,588,903,098	1,495,326,489

ANALYSIS OF CONTINGENT LIABILITIES AND COMMITMENTS

	BANK		GROUP	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	(Rs.'000)	(Rs. '000)	(Rs.'000)	(Rs. '000)
	(Audited)	(Audited)	(Audited)	(Audited)
By product				
Acceptances	110,542,802	90,195,344	110,542,802	90,195,344
Documentary Credit	78,306,041	84,103,230	78,306,041	84,103,230
Guarantees	82,058,147	73,255,113	82,783,084	74,001,537
Forward Exchange Contracts	24,673,760	99,087,601	24,673,760	99,087,601
Non disbursed overdrafts & loans	69,519,348	56,791,963	75,854,268	62,858,973
Gross Contingent Liabilities and Commitments	365,100,098	403,433,251	372,159,955	410,246,685
Less :				
Allowance for Expected Credit Loss	(1,174,344)	(671,288)	(1,174,344)	(671,288)
Net Contingent Liabilities and Commitments	363,925,754	402,761,963	370,985,611	409,575,397

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

BANK AS AT 31ST DECEMBER 2019

	Fair Value Through P&L (Rs.'000)	Fair Value Through OCI (Rs.'000)	Amortised Cost (Rs.'000)	Total (Rs.'000)
ASSETS				
Cash and cash equivalents	-	-	50,703,158	50,703,158
Balances with Central Banks	-	-	38,858,470	38,858,470
Placements with Banks	-	-	9,689,132	9,689,132
Derivative Financial Instruments	90,560	-	-	90,560
Financial Assets - At Fair Value through Profit or Loss	79,514,568	-	-	79,514,568
Financial assets - at amortised cost	-	-	-	-
Loans and advances to banks	-	-	29,771,919	29,771,919
Loans and advances to other customers	-	-	1,310,150,137	1,310,150,137
Debt instruments measured at amortised cost	-	-	280,935,892	280,935,892
Financial assets - at fair value through OCI	-	-	-	-
Equity instruments at fair value through OCI	-	1,997,896	-	1,997,896
Debt instruments at fair value through OCI	-	2,573,067	-	2,573,067
Total financial assets	79,605,128	4,570,963	1,720,108,708	1,804,284,799
LIABILITIES				
Due to banks	-	-	207,484,446	207,484,446
Derivative Financial Instruments	59,748	-	-	59,748
Due to other customers	-	-	1,491,385,937	1,491,385,937
Other Borrowings	-	-	17,324,960	17,324,960
Subordinated term debts	-	-	22,714,490	22,714,490
Total financial liabilities	59,748	-	1,738,909,833	1,738,969,581

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

BANK AS AT 31ST DECEMBER 2018

	Fair Value Through P&L (Rs.'000)	Fair Value Through OCI (Rs.'000)	Amortised Cost (Rs.'000)	Total (Rs.'000)
ASSETS				
Cash and cash equivalents	-	-	57,879,933	57,879,933
Balances with Central Banks	-	-	51,615,796	51,615,796
Placements with Banks	-	-	4,350,726	4,350,726
Derivative Financial Instruments	1,163,384	-	-	1,163,384
Financial assets - at fair value through profit or loss	54,052,435	-	-	54,052,435
Loans and advances to banks	-	-	32,167,421	32,167,421
Loans and advances to other customers	-	-	1,265,667,467	1,265,667,467
Debt instruments measured at amortised cost	-	-	201,650,435	201,650,435
Equity instruments at fair value through OCI	-	1,179,922	-	1,179,922
Debt instruments at fair value through OCI	-	4,731,261	-	4,731,261
Total Financial Assets	55,215,819	5,911,183	1,613,331,778	1,674,458,780
LIABILITIES				
Due to banks	-	-	138,031,420	138,031,420
Derivative Financial Instruments	2,512,205	-	-	2,512,205
Due to other customers	-	-	1,422,961,240	1,422,961,240
Other Borrowings	-	-	35,575,554	35,575,554
Subordinated term debts	-	-	12,533,904	12,533,904
Total Financial Liabilities	2,512,205	-	1,609,102,118	1,611,614,323

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

GROUP AS AT 31ST DECEMBER 2019

	Fair Value Through P&L (Rs.'000)	Fair Value Through OCI (Rs.'000)	Amortised Cost (Rs.'000)	Total (Rs.'000)
ASSETS				
Cash and cash equivalents	-	-	51,594,638	51,594,638
Balances with Central Banks	-	-	38,858,470	38,858,470
Placements with Banks	-	-	13,395,360	13,395,360
Derivative Financial Instruments	90,560	-	-	90,560
Financial Assets - At Fair Value through Profit or Loss	80,405,966	-	-	80,405,966
Financial assets - at amortised cost	-	-	-	-
Loans and advances to banks	-	-	29,771,919	29,771,919
Loans and advances to other customers	-	-	1,460,497,766	1,460,497,766
Debt instruments measured at amortised cost	-	-	290,739,848	290,739,848
Financial assets - at fair value through OCI	-	-	-	-
Equity instruments at fair value through OCI	-	1,772,838	-	1,772,838
Debt instruments at fair value through OCI	-	2,573,067	-	2,573,067
Total financial assets	80,496,526	4,345,905	1,884,858,001	1,969,700,432
LIABILITIES				
Due to banks	-	-	219,434,075	219,434,075
Derivative Financial Instruments	59,748	-	-	59,748
Due to other customers	-	-	1,588,903,098	1,588,903,098
Other Borrowings	-	-	16,289,502	16,289,502
Subordinated term debts	-	-	40,513,091	40,513,091
Total financial liabilities	59,748	-	1,865,139,766	1,865,199,514

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

GROUP AS AT 31ST DECEMBER 2018

	Fair Value Through P&L (Rs.'000)	Fair Value Through OCI (Rs.'000)	Amortised Cost (Rs.'000)	Total (Rs.'000)
ASSETS				
Cash and cash equivalents	-	-	58,835,090	58,835,090
Balances with Central Banks	-	-	51,615,796	51,615,796
Placements with Banks	-	-	9,096,252	9,096,252
Derivative Financial Instruments	1,163,384	-	-	1,163,384
Financial assets - at fair value through profit or loss	54,300,238	-	-	54,300,238
Loans and advances to banks	-	-	32,551,657	32,551,657
Loans and advances to other customers	-	-	1,415,927,536	1,415,927,536
Debt instruments measured at amortised cost	-	-	209,696,173	209,696,173
Equity instruments at fair value through OCI	-	1,179,956	-	1,179,956
Debt instruments at fair value through OCI	-	4,756,298	-	4,756,298
Total Financial Assets	55,463,622	5,936,254	1,777,722,504	1,839,122,380
LIABILITIES				
Due to banks	-	-	172,247,861	172,247,861
Derivative Financial Instruments	2,512,205	-	-	2,512,205
Due to other customers	-	-	1,495,326,489	1,495,326,489
Other Borrowings	-	-	35,082,488	35,082,488
Subordinated term debts	-	-	33,084,526	33,084,526
Total Financial Liabilities	2,512,205	-	1,735,741,364	1,738,253,569

SELECTED PERFORMANCE INDICATORS (Based on Regulatory Reporting)

	BANK		GROUP	
	As at 31.12.2019 (Audited)	As at 31.12.2018 (Audited)	As at 31.12.2019 (Audited)	As at 31.12.2018 (Audited)
Regulatory Capital Adequacy				
Common Equity Tier 1 Capital [Rs. 000]	77,941,284	74,623,023	106,246,759	101,088,945
Core (Tier 1) Capital [Rs. 000]	77,941,284	74,623,023	106,246,759	101,088,945
Total Capital Base [Rs. 000]	106,972,204	97,987,548	136,303,475	125,548,973
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital (%) (Min. requirement - 2019 - 8%, 2018 - 7.375%)	10.68	11.02	11.58	11.66
Tier 1 Capital Ratio (%) (Min. requirement - 2019 - 9.5%, 2018 - 8.875%)	10.68	11.02	11.58	11.66
Total Capital Ratio (%) (Min. requirement - 2019 - 13.5%, 2018 - 12.875%)	14.66	14.47	14.86	14.48
Asset Quality (Quality of Loan Portfolio)				
Gross Non- Performing Advances Ratio, % (net of Interest in Suspense)	3.31	2.49	3.68	2.70
Net Non- Performing Advances Ratio, % (net of interest in suspense and provisions)	1.85	1.36	1.82	1.34
Profitability				
Interest Margin, %	3.24	3.48	3.84	4.04
Return on Assets (Before Tax) , %	1.09	1.52	1.30	1.77
Return on Equity (After Tax) , %	13.89	20.27	12.76	18.69
Leverage Ratio (Min. requirement - 3%)	3.98	4.13	4.98	5.08
Regulatory Liquidity				
Statutory Liquid Assets				
Domestic Banking unit Rs.000	446,351,080	337,865,692		
Off-Shore Banking Unit USD.000	504,026	303,616		
Statutory Liquid Assets Ratio (%) (Min. requirement - 20%)				
Domestic Banking unit (%)	29.54	23.01		
Off-Shore Banking Unit (%)	34.61	30.36		
Total Stock of High Quality Liquid Assets [Rs.000]	409,287,666	303,919,749		
Liquidity Coverage Ratio (%) (Min. requirement , 2019 - 100%, 2018 - 90%)				
Liquidity Coverage Ratio - Rupee	160.80	144.90		
Liquidity Coverage Ratio - All Currency	132.10	100.42		

CERTIFICATION

We the undersigned being the Chairman, 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 audited financial statements of the bank and the group.

(Sgd.)
Azzam A. Ahamat
Head of Finance

(Sgd.)
M.A. Bonniface Silva
Actg. Chief Executive Officer/General Manager

(Sgd.)
Sujeewa Rajapakse
Chairman

25.03.2020
Colombo.