

FITCH RATING AA+ (LKA)



RAM RATING AAA

PEOPLE'S BANK

FINANCIAL STATEMENTS

INCOME STATEMENT

FOR THE NINE MONTHS ENDED 30TH SEPTEMBER

	BANK			GROUP		
	2014 (Rs. '000) (Unaudited)	2013 (Rs. '000) (Unaudited)	Change %	2014 (Rs. '000) (Unaudited)	2013 (Rs. '000) (Unaudited)	Change %
Gross Income	70,117,229	88,127,243	(20.4)	87,580,393	103,592,115	(15.5)
Interest income	61,843,273	81,861,717	(24.5)	76,817,689	95,864,028	(19.9)
Interest expenses	(41,894,429)	(56,671,426)	(26.1)	(49,747,886)	(64,496,624)	(22.9)
Net Interest Income	19,948,844	25,190,291	(20.8)	27,069,804	31,367,404	(13.7)
Fee and commission income	2,658,399	2,498,371	6.4	5,490,183	3,924,927	39.9
Fee and commission expenses	(90,368)	(108,834)	(17.0)	(90,368)	(108,834)	(17.0)
Net Fee and Commission Income	2,568,030	2,389,536	7.5	5,399,814	3,816,093	41.5
Net gain from trading	2,053,521	1,587,984	29.3	2,178,768	1,606,192	35.6
Net gain/(loss) from financial investment	-	-	-	-	-	-
Other operating income (net)	3,562,036	2,179,170	63.5	3,093,752	2,196,969	40.8
Total Operating Income	28,132,432	31,346,982	(10.3)	37,742,139	38,986,656	(3.2)
Impairment for loans and other losses	1,315,459	(7,936,492)	(116.6)	492,610	(8,429,194)	(105.8)
Individual impairment	(49,544)	(362,252)	-	(169,529)	(357,989)	-
Collective impairment	1,299,471	(7,574,240)	-	1,047,585	(8,071,205)	-
Other	65,532	-	-	(385,446)	-	-
Net Operating Income	29,447,891	23,410,490	25.8	38,234,748	30,557,462	25.1
Personnel Expenses	(9,511,825)	(9,579,403)	(0.7)	(10,810,862)	(10,560,632)	2.4
Depreciation and amortisation	(638,423)	(580,100)	10.1	(829,032)	(722,172)	14.8
Other expenses	(6,212,496)	(5,654,674)	9.9	(9,461,167)	(7,687,992)	23.1
Operating Profit before Value Added Tax (VAT)	13,085,147	7,596,313	72.3	17,133,688	11,586,666	47.9
Value Added Tax (VAT) on financial services	(1,821,309)	(1,102,446)	65.2	(2,071,507)	(1,324,118)	56.4
Operating Profit after Value Added Tax (VAT)	11,263,838	6,493,866	73.5	15,062,181	10,262,549	46.8
Share of profits/(loss) of associates	-	-	-	(19,872)	99,809	(119.9)
Profit before Tax	11,263,838	6,493,866	73.5	15,042,309	10,362,358	45.2
Tax expenses	(3,225,533)	(1,858,225)	73.6	(4,434,822)	(3,737,019)	18.7
Profit for the year	8,038,305	4,635,641	73.4	10,607,488	6,625,339	60.1
Profit Attributable to :						
Equity Holders of the Bank	8,038,305	4,635,641	73.4	9,814,179	6,154,377	59.5
Non-controlling interests	-	-	-	793,309	470,963	68.4
	8,038,305	4,635,641	73.4	10,607,488	6,625,339	60.1
Earnings per Share on Profit						
Basic earnings per ordinary share	8,038	4,636	73.4	9,814	6,154	59.5
Diluted earnings per ordinary share	56	32	73.4	68	43	59.5

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

	BANK		GROUP	
	2014 (Rs.'000) (Unaudited)	2013 (Rs.'000) (Unaudited)	2014 (Rs.'000) (Unaudited)	2013 (Rs.'000) (Unaudited)
Profit for 9 months ended	8,038,305	4,635,641	10,607,488	6,625,339
Other Comprehensive Income net of Tax				
Actuarial gains and losses on defined benefit plans	-	-	(57,574)	-
Deferred tax effect on defined benefit plan liability	-	-	-	-
Gains and losses on re-measuring available-for-sale financial assets	264,788	(34,816)	351,025	(127,643)
Gain on revaluation of land and buildings	-	-	-	-
Gain on revaluation of land and buildings - Associate	-	-	-	-
Gains and losses on derivative financial Assets	-	-	(58,305)	-
Less:				
Tax expense/(Income) relating to components of other comprehensive income	-	-	16,778	-
Other Comprehensive Income for the 9 months ended net of Taxes	264,788	(34,816)	251,925	(127,643)
Total Comprehensive Income for the 9 months ended	8,303,092	4,600,825	10,859,413	6,497,697
Attributable to :				
Equity Holders of the Bank	8,303,092	4,600,825	10,069,319	6,049,942
Non-controlling interests	-	-	790,094	447,755

STATEMENT OF FINANCIAL POSITION

AS AT

	BANK			GROUP		
	30.09.2014 (Rs. '000) (Unaudited)	31.12.2013 (Rs. '000) (Audited)	Change %	30.09.2014 (Rs. '000) (Unaudited)	31.12.2013 (Rs. '000) (Audited)	Change %
Assets						
Cash and Cash Equivalents	17,340,550	18,772,596	(7.6)	19,314,816	20,801,230	(7.1)
Balances with Central Bank of Sri Lanka	40,598,434	40,370,892	0.6	40,598,434	40,370,892	0.6
Placements with banks	6,650	2,551,215	(99.7)	6,650	2,551,215	(99.7)
Derivative Financial Instruments	-	35,391	(100.0)	-	35,391	(100.0)
Other Financial assets held-for-trading	39,732,498	63,748,857	(37.7)	40,190,267	64,057,091	(37.3)
Loans and receivables to Banks	149,011,096	82,225,088	81.2	152,258,092	82,339,403	84.9
Loans and receivables to other customers	579,708,801	619,829,735	(6.5)	672,810,656	710,074,499	(5.2)
Financial investments - Available-for-sale	311,733	311,733	-	2,091,892	1,737,175	20.4
Financial investments - Held-to-maturity	93,496,000	75,784,287	23.4	98,049,977	78,322,900	25.2
Investments in subsidiaries	1,095,908	1,245,908	(12.0)	-	-	-
Investments in associates	273,100	207,568	31.6	470,065	274,470	71.3
Goodwill and intangible assets	96,355	33,535	187.3	447,798	392,073	14.2
Property, plant and equipment	15,069,411	14,705,721	2.5	19,164,899	18,183,658	5.4
Investment properties	189,773	189,776	-	189,776	189,776	-
Prepaid Leases	297,473	295,732	0.6	297,473	295,732	0.6
Deferred tax assets	1,071,381	1,071,381	-	1,071,747	1,075,651	(0.4)
Other assets	10,501,027	9,205,859	14.1	11,763,092	10,771,638	9.2
Total Assets	948,800,190	930,585,274	2.0	1,058,725,634	1,031,472,794	2.6
Liabilities						
Due to banks	72,407,864	81,794,018	(11.5)	86,255,831	101,987,002	(15.4)
Derivative Financial Instruments	15,273	215,844	(92.9)	189,626	215,844	(12.1)
Due to other customers	783,281,514	762,248,529	2.8	821,607,952	789,225,313	4.1
Other Borrowings	20,274,416	20,353,986	(0.4)	42,016,890	38,878,017	8.1
Current tax liabilities	844,909	393,380	114.8	1,384,049	877,476	57.7
Deferred tax liabilities	885,232	885,232	-	2,479,059	2,557,359	(3.1)
Other liabilities	15,383,272	13,124,898	17.2	21,256,621	19,501,921	9.0
Subordinated term debts	15,032,542	15,032,542	-	22,152,107	23,141,451	(4.3)
Total Liabilities	908,125,022	894,048,430	1.6	997,342,135	976,384,384	2.1
Equity						
Stated capital/Assigned capital	7,201,998	7,201,998	-	7,201,998	7,201,998	-
Statutory reserve Fund	2,811,685	2,811,685	-	2,811,685	2,811,685	-
Other reserves	24,566,849	24,409,753	0.6	26,180,830	25,959,057	0.9
Retained earnings	6,094,637	2,113,408	188.4	19,837,010	14,168,284	40.0
Total shareholders' equity	40,675,169	36,536,843	11.3	56,031,523	50,141,024	11.7
Non-controlling interests	-	-	-	5,351,978	4,947,385	8.2
Total equity	40,675,169	36,536,843	11.3	61,383,501	55,088,409	11.4
Total equity and liabilities	948,800,190	930,585,274	2.0	1,058,725,634	1,031,472,794	2.6
Contingent Liabilities and Commitments	222,103,454	197,118,649	12.7	222,360,838	197,376,033	12.7
No of Employees	8,230	7,409	-	10,362	9,384	-
No of Branches	738	735	-	828	820	-

STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30TH SEPTEMBER

BANK

	Stated capital/Assigned capital		Reserves						Total (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	5,043,545	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	-	-	-	-	-	-	-	8,038,305	8,038,305
Changes in Fair Value in AFS Investments	-	-	-	-	-	-	-	264,788	264,788
Net Defined Benefit obligation	-	-	-	-	-	-	-	-	-
Gain on revaluation of Land and Building	-	-	-	-	-	-	-	-	-
Transfers to reserves during the period	-	-	-	-	-	157,096	-	(157,096)	-
Dividend Paid to GOSL	-	-	-	-	-	-	-	(164,768)	(164,768)
Special Levy to Treasury	-	-	-	-	-	-	-	(4,000,000)	(4,000,000)
Tax on other comprehensive income	-	-	-	-	-	-	-	-	-
Balance as at 30.09.2014	49,998	7,152,000	2,811,685	10,876,547	6,953,873	6,572,453	163,976	6,094,637	40,675,169

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	-	-	-	-	-	-	-	8,364,339	8,364,339	799,845	9,164,184
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	-	-	-	-	-	-	-	(71,883)	(71,883)	(23,961)	(95,844)
Dividend payment	-	-	-	-	-	-	-	-	-	(493,710)	(493,710)
Tax on other comprehensive income	-	-	-	(654,087)	-	-	-	-	(654,087)	(44,350)	(698,437)
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	-	-	-	-	-	-	-	9,814,179	9,814,179	793,309	10,607,488
Changes in Fair Value in AFS Investments	-	-	-	-	-	-	64,678	264,788	329,466	21,559	351,025
Net Defined Benefit obligation	-	-	-	-	-	-	-	(43,181)	(43,181)	(14,394)	(57,574)
Transfer to Reserve during the period	-	-	-	-	-	157,096	-	(157,096)	-	-	-
Dividend Paid to GOSL	-	-	-	-	-	-	-	(164,768)	(164,768)	-	(164,768)
Special Levy to Treasury	-	-	-	-	-	-	-	(4,000,000)	(4,000,000)	-	(4,000,000)
Movement in deemed disposal profit	-	-	-	-	-	-	-	(12,500)	(12,500)	(187,500)	(200,000)
Deffered tax effect on defined benefit plans	-	-	-	-	-	-	-	-	-	-	-
Gains and losses on derivative financial Assets	-	-	-	-	-	-	-	(43,728)	(43,728)	(14,576)	(58,305)
Share Issue Expenses	-	-	-	-	-	-	-	(1,553)	(1,553)	(518)	(2,070)
Dividend payment	-	-	-	-	-	-	-	-	-	(197,483)	(197,483)
Tax on other comprehensive income	-	-	-	-	-	-	-	12,584	12,584	4,195	16,778
Balance as at 30.09.2014	49,998	7,152,000	2,811,685	11,401,147	6,953,873	7,621,032	204,779	19,837,010	56,031,523	5,351,978	61,383,501

CASH FLOW STATEMENT				
FOR THE NINE MONTHS ENDED 30TH SEPTEMBER				
	BANK		GROUP	
	2014	2013	2014	2013
	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cash flows from operating activities				
Profit before tax	11,263,838	6,493,866	15,042,309	10,362,358
Adjustment for				
Non-cash items included in profits before tax	(657,387)	8,540,231	384,171	9,218,397
Changes in operating assets	(61,482)	(47,818,062)	(6,562,425)	(57,500,513)
Changes in operating liabilities	13,083,109	56,578,474	20,675,697	62,187,843
Net gains from investing activities	-	-	-	-
Share of profits in associates and joint ventures	-	-	-	-
Dividend income from subsidiaries and associates	-	(683,432)	-	(19,522)
Interest expense on subordinated debt	1,490,625	1,165,625	1,490,625	1,165,625
Others	-	-	-	-
Contribution paid to defined benefit plans	526,682	508,729	526,681	508,728
Tax paid	(2,774,004)	(3,194,173)	(4,002,644)	(4,541,662)
Net Cash Generated from Operating Activities	22,871,381	21,591,258	27,554,415	21,381,254
Cash Flows from Investing Activities				
Purchase of property, plant and equipment	(1,049,107)	(680,912)	(1,866,518)	(942,362)
Proceeds from the sale of property, plant and equipment	35,020	24,360	39,142	24,360
Purchase of financial investments	(17,711,713)	(30,834,901)	(20,302,994)	(30,862,054)
Proceeds from the sale and maturity of financial investments	-	-	-	-
Net Increase/ (decrease) in financial investments held to maturity	-	-	-	-
Net purchase of intangible assets	(72,233)	-	(88,110)	(14,318)
Net cash flow from acquisition of investment in subsidiaries and associates	-	(91,320)	-	(102,264)
Net cash flow from disposal of subsidiaries	150,000	-	19,872	-
Proceeds from disposal of associates and joint ventures	-	-	-	-
Dividends received from investment in subsidiaries and associates	-	683,432	-	19,522
Others	-	-	-	-
Net Cash (used in) from Investing Activities	(18,648,034)	(30,899,341)	(22,198,609)	(31,877,116)
Cash Flows from Financing Activities				
Net proceeds from the issue of ordinary share capital	-	-	-	-
Net proceeds from the issue of other equity instruments	-	-	-	-
Net proceeds from the issue of subordinated debt	-	5,000,000	-	5,000,000
Repayment of subordinated debt	-	-	-	-
Interest paid on subordinated debt	(1,490,625)	(1,165,625)	(2,479,969)	(1,165,625)
Dividend paid to non-controlling interest	-	-	(197,483)	(289,645)
Dividend paid to shareholders of the parent company	-	-	-	-
Dividend paid to holders of other equity instruments	(4,164,768)	(1,664,768)	(4,164,768)	(1,664,768)
Share issue expenses	-	-	-	-
Disposal of changes of holdings	-	-	-	-
Net Cash from Financial Activities	(5,655,393)	2,169,607	(6,842,220)	1,879,962
Net Increase/(Decrease) in Cash & Cash Equivalents	(1,432,046)	(7,138,476)	(1,486,414)	(8,615,900)
Cash and cash equivalents at the beginning of the year	18,772,596	24,401,979	20,801,230	26,102,723
Exchange difference in respect of cash & cash equivalent	-	-	-	-
Cash and cash equivalents at the end of the period	17,340,550	17,263,503	19,314,816	17,486,823

ADDITIONAL DISCLOSURES

	BANK		GROUP	
	30.09.2014	31.12.2013	30.09.2014	31.12.2013
	(Rs.'000)	(Rs. '000)	(Rs.'000)	(Rs. '000)
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Loans and Receivables to Other Customers				
Gross loans and receivables	639,202,621	681,466,864	734,215,318	773,250,598
(Less) : Individual impairment	(39,391,087)	(39,341,542)	(39,700,510)	(39,530,980)
Collective impairment	(20,102,733)	(22,295,587)	(21,704,153)	(23,645,119)
Net loans and receivables	579,708,801	619,829,735	672,810,656	710,074,499
Analysis -Domestic Currency				
By product				
Overdrafts	81,391,559	66,950,906	80,638,733	66,799,190
Term loans	295,985,773	276,971,206	315,099,815	289,209,619
Lease Rental Receivable	-	-	76,086,274	79,227,227
Credit Cards	1,405,663	1,327,925	1,405,663	1,327,925
Pawning	114,708,406	197,128,580	114,708,406	197,128,580
Trade Finance	32,625,426	22,423,633	32,625,426	22,423,634
Others	11,638,109	25,527,998	12,203,316	25,997,807
Sub Total	537,754,936	590,330,248	632,767,633	682,113,982
Analysis -Foreign Currency				
By product				
Overdrafts	354,927	536,081	354,927	536,081
Term loans	10,021,965	9,792,579	10,021,965	9,792,579
Lease Rental Receivable	-	-	-	-
Credit Cards	-	-	-	-
Pawning	-	-	-	-
Trade Finance	91,070,793	80,807,956	91,070,793	80,807,956
Others	-	-	-	-
Sub Total	101,447,685	91,136,616	101,447,685	91,136,616
Grand Total	639,202,621	681,466,864	734,215,318	773,250,598

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

	BANK		GROUP	
	30.09.2014	31.12.2013	30.09.2014	31.12.2013
	(Rs.'000)	(Rs. '000)	(Rs.'000)	(Rs. '000)
	(Unaudited)	(Audited)	(Unaudited)	(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	49,545	1,935,783	169,530	2,064,073
Closing balance	39,391,087	39,341,542	39,700,510	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	(2,182,652)	10,507,882	(1,930,764)	10,650,898
Write-off during the year	-	(83,602)	-	(83,602)
Other Movements	(10,202)	67,234	(10,202)	67,234
Closing balance	20,102,733	22,295,587	21,704,153	23,645,119
Total Impairment	59,493,820	61,637,129	61,404,663	63,176,099
Due to Other Customers				
Analysis				
Product Wise Analysis - Domestic Currency				
Demand deposit (current accounts)	40,526,414	36,728,336	39,279,937	33,711,138
Savings deposits	278,570,243	241,868,780	280,953,119	239,901,807
Fixed deposits	400,971,954	417,938,719	438,161,993	449,899,676
Other products	2,356,724	2,550,274	2,356,723	2,550,274
Sub Total	722,425,335	699,086,109	760,751,772	726,062,894
Due to Other Customers				
Product Wise Analysis - Foreign Currency				
Demand deposit (current accounts)	755,565	643,973	755,565	643,973
Savings deposits	13,965,341	14,111,758	13,965,341	14,111,758
Fixed deposits	46,114,551	48,375,691	46,114,551	48,375,691
Other products	20,721	30,998	20,722	30,997
Sub Total	60,856,179	63,162,420	60,856,180	63,162,419
Grand Total	783,281,514	762,248,529	821,607,952	789,225,313

SELECTED PERFORMANCE INDICATORS

	BANK		GROUP	
	As at 30.09.2014 (Unaudited)	As at 31.12.2013 (Audited)	As at 30.09.2014 (Unaudited)	As at 31.12.2013 (Audited)
Regulatory Capital Adequacy				
Core Capital (Tier 1 Capital), Rs. '000	29,284,157	29,261,006	48,713,113	48,565,960
Total Capital Base, Rs. '000	42,422,489	42,204,105	61,494,498	61,729,640
Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 5%)	9.2	10.4	11.3	12.5
Total capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 10%)	13.4	15.0	14.3	15.9
Assets Quality (Quality of Loan Portfolio)				
Gross Non- Performing Advances Ratio, % (net of Interest in Suspense)	4.5	5.3	4.3	4.9
Net Non- Performing Advances Ratio, % (net of interest in suspense and provisions)	1.4	2.0	1.3	1.8
Profitability				
Interest Margin, %	2.8	4.1	3.5	4.5
Return on Assets (Before Tax), %	1.6	1.1	1.9	1.3
Return on Equity (After Tax), %	27.8	22.8	24.3	18.2
Regulatory Liquidity				
Statutory Liquid Assets,				
Domestic Banking Unit Rs.'000	254,461,634	198,056,757		
Off- Shore Banking Unit US\$ ('000)	180,745	187,944		
Statutory Liquid Assets, Ratio % (Minimum Requirement, 20%)				
Domestic Banking Unit	32.2	25.2		
Off- Shore Banking Unit	32.6	22.3		

MEASUREMENT OF FINANCIAL INSTRUMENTS

BANK AS AT 30.09.2014

	HFT (Rs.'000)	Financial Derivatives at FV (Rs.'000)	HTM (Rs.'000)	Amortised Cost (Rs.'000)	AFS (Rs.'000)	Others (Rs.'000)	Total (Rs.'000)
ASSETS							
Cash and cash equivalents	-	-	-	17,340,550	-	-	17,340,550
Balances with Central Banks	-	-	-	40,598,434	-	-	40,598,434
Placements with Banks	-	-	-	6,650	-	-	6,650
Derivative Financial Instruments	-	-	-	-	-	-	-
Financial assets held-for-trading	39,732,498	-	-	-	-	-	39,732,498
Loans and receivables to banks	-	-	-	149,011,096	-	-	149,011,096
Loans and receivables to other customers	-	-	-	579,708,801	-	-	579,708,801
Financial investments	-	-	93,496,000	-	311,733	-	93,807,733
Investments in subsidiaries	-	-	-	-	-	1,095,908	1,095,908
Investments in associates	-	-	-	-	-	273,100	273,100
Current tax	-	-	-	-	-	-	-
Total financial assets	39,732,498	-	93,496,000	786,665,531	311,733	1,369,008	921,574,770
Other assets	-	-	-	-	-	27,225,420	27,225,420
Total assets	-	-	-	-	-	-	948,800,190
LIABILITIES							
Due to banks	-	-	-	72,407,864	-	-	72,407,864
Derivative Financial Instruments	-	15,273	-	-	-	-	15,273
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-	-	-
Due to other customers	-	-	-	783,281,514	-	-	783,281,514
Other Borrowings	-	-	-	20,274,416	-	-	20,274,416
Current tax liabilities	-	-	-	-	-	844,909	844,909
Subordinated term debts	-	-	-	15,032,542	-	-	15,032,542
Total financial liabilities	-	15,273	-	890,996,336	-	844,909	891,856,518
Other liabilities	-	-	-	-	-	15,383,272	15,383,272
Deferred tax liabilities	-	-	-	-	-	885,232	885,232
Total liabilities	-	-	-	-	-	-	908,125,022

MEASUREMENT OF FINANCIAL INSTRUMENTS

BANK AS AT 31.12. 2013

	HFT (Rs.'000)	Financial Derivatives at FV (Rs.'000)	HTM (Rs.'000)	Amortised Cost (Rs.'000)	AFS (Rs.'000)	Others (Rs.'000)	Total (Rs.'000)
ASSETS							
Cash and cash equivalents	-	-	-	18,772,596	-	-	18,772,596
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	-	-	-	82,225,088	-	-	82,225,088
Loans and receivables to other customers	-	-	-	619,829,735	-	-	619,829,735
Financial investments	-	-	75,784,287	-	311,733	-	76,096,020
Investments in subsidiaries	-	-	-	-	-	1,245,908	1,245,908
Investments in associates	-	-	-	-	-	207,568	207,568
Total financial assets	63,748,857	35,391	75,784,287	763,749,526	311,733	1,453,476	905,083,270
Other assets	-	-	-	-	-	25,502,004	25,502,004
Total assets	-	-	-	-	-	-	930,585,273
LIABILITIES							
Due to banks	-	-	-	81,794,018	-	-	81,794,018
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
Current tax liabilities	-	-	-	-	-	393,380	393,380
Subordinated term debts	-	-	-	15,032,542	-	-	15,032,542
Total financial liabilities	-	215,844	-	879,429,075	-	393,380	880,038,299
Other liabilities	-	-	-	-	-	13,124,898	13,124,898
Deferred tax liabilities	-	-	-	-	-	885,232	885,232
Total liabilities	-	-	-	-	-	-	894,048,430

MEASUREMENT OF FINANCIAL INSTRUMENTS

GROUP AS AT 30.09.2014

	HFT	Financial	HTM	Amortised	AFS	Others	Total
	(Rs.'000)	Derivatives at FV	(Rs.'000)	Cost	(Rs.'000)	(Rs.'000)	(Rs.'000)
		(Rs.'000)		(Rs.'000)			
ASSETS							
Cash and cash equivalents	-	-	-	19,314,816	-	-	19,314,816
Balances with Central Banks	-	-	-	40,598,434	-	-	40,598,434
Placements with Banks	-	-	-	6,650	-	-	6,650
Derivative Financial Instruments	-	-	-	-	-	-	-
Financial assets held-for-trading	40,190,267	-	-	-	-	-	40,190,267
Loans and receivables to banks	-	-	-	152,258,092	-	-	152,258,092
Loans and receivables to other customers	-	-	-	672,810,656	-	-	672,810,656
Financial investments	-	-	98,049,977	-	2,091,892	-	100,141,870
Investments in subsidiaries	-	-	-	-	-	-	-
Investments in associates	-	-	-	-	-	470,065	470,065
Total financial assets	40,190,267	-	98,049,977	884,988,647	2,091,892	470,065	1,025,790,848
Other assets	-	-	-	-	-	32,934,786	32,934,786
Total assets	-	-	-	-	-	-	1,058,725,634
LIABILITIES							
Due to banks	-	-	-	86,255,831	-	-	86,255,831
Derivative Financial Instruments	-	189,626	-	-	-	-	189,626
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-	-	-
Due to other customers	-	-	-	821,607,952	-	-	821,607,952
Other Borrowings	-	-	-	42,016,890	-	-	42,016,890
Current tax liabilities	-	-	-	-	-	1,384,049	1,384,049
Subordinated term debts	-	-	-	22,152,107	-	-	22,152,107
Total financial liabilities	-	189,626	-	972,032,780	-	1,384,049	973,606,455
Other liabilities	-	-	-	-	-	21,256,621	21,256,621
Deferred tax liabilities	-	-	-	-	-	2,479,059	2,479,059
Total liabilities	-	-	-	-	-	-	997,342,135

MEASUREMENT OF FINANCIAL INSTRUMENTS

GROUP AS AT 31.12. 2013

	HFT	Financial	HTM	Amortised	AFS	Others	Total
	(Rs.'000)	Derivatives at FV	(Rs.'000)	Cost	(Rs.'000)	(Rs.'000)	(Rs.'000)
		(Rs.'000)		(Rs.'000)			
ASSETS							
Cash and cash equivalents	-	-	-	20,801,230	-	-	20,801,230
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	-	-	-	82,339,403	-	-	82,339,403
Loans and receivables to other customers	-	-	-	710,074,499	-	-	710,074,499
Financial investments	-	-	78,322,900	-	1,737,175	-	80,060,074
Investments in subsidiaries	-	-	-	-	-	-	-
Investments in associates	-	-	-	-	-	274,470	274,470
Total financial assets	64,057,091	35,391	78,322,900	856,137,239	1,737,175	274,470	1,000,564,265
Other assets	-	-	-	-	-	30,908,527	30,908,527
Total assets	-	-	-	-	-	-	1,031,472,794
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	-	-	-	789,225,313	-	-	789,225,313
Other Borrowings	-	-	-	38,878,017	-	-	38,878,017
Current tax liabilities	-	-	-	-	-	877,476	877,476
Subordinated term debts	-	-	-	23,141,451	-	-	23,141,451
Total financial liabilities	-	215,844	-	953,231,783	-	877,476	954,325,103
Other liabilities	-	-	-	-	-	19,501,921	19,501,921
Deferred tax liabilities	-	-	-	-	-	2,557,359	2,557,359
Total liabilities	-	-	-	-	-	-	976,384,384

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.)
Gamini S. Senarath
Chairman

07.11.2014
Colombo.