

FITCH RATING AA+ (LKA)



RAM RATING AAA

PEOPLE'S BANK

FINANCIAL STATEMENTS

INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30TH JUNE

	BANK			GROUP		
	2014 (Rs. '000) (Unaudited)	2013 (Rs. '000) (Unaudited)	Change %	2014 (Rs. '000) (Unaudited)	2013 (Rs. '000) (Unaudited)	Change %
Gross Income	47,186,861	57,227,379	(17.5)	59,393,063	67,224,961	(11.7)
Interest income	42,154,374	53,404,170	(21.1)	52,206,063	62,731,431	(16.8)
Interest expenses	(29,027,624)	(38,077,699)	(23.8)	(34,477,822)	(43,265,534)	(20.3)
Net Interest Income	13,126,750	15,326,471	(14.4)	17,728,241	19,465,896	(8.9)
Fee and commission income	1,788,336	1,630,502	9.7	1,671,921	1,743,161	(4.1)
Fee and commission expenses	(52,373)	(74,370)	(29.6)	(52,373)	(74,370)	(29.6)
Net Fee and Commission Income	1,735,963	1,556,132	11.6	1,619,548	1,668,791	(3.0)
Net gain from trading	1,113,588	1,093,318	1.9	1,167,034	1,119,083	4.3
Net gain/(loss) from financial investment	-	-	-	-	-	-
Other operating income (net)	2,130,564	1,099,388	93.8	4,348,044	1,631,286	166.5
Total Operating Income	18,106,865	19,075,310	(5.1)	24,862,868	23,885,056	4.1
Impairment for loans and other losses	(360,064)	(4,313,533)	(91.7)	(996,480)	(4,493,948)	(77.8)
Individual impairment	(251,676)	(362,252)	-	(368,982)	(357,990)	-
Collective impairment	(173,920)	(3,951,281)	-	(388,892)	(4,135,959)	-
Other	65,532	-	-	(238,605)	-	-
Net Operating Income	17,746,801	14,761,776	20.2	23,866,388	19,391,108	23.1
Personnel Expenses	(6,157,076)	(6,403,587)	(3.8)	(7,015,329)	(7,002,172)	0.2
Depreciation and amortisation	(428,646)	(377,723)	13.5	(553,777)	(464,214)	19.3
Other expenses	(4,127,166)	(3,700,001)	11.5	(6,341,529)	(4,886,405)	29.8
Operating Profit before Value Added Tax (VAT)	7,033,912	4,280,464	64.3	9,955,753	7,038,317	41.5
Value Added Tax (VAT) on financial services	(1,042,823)	(735,621)	41.8	(1,190,121)	(880,730)	35.1
Operating Profit after Value Added Tax (VAT)	5,991,089	3,544,842	69.0	8,765,632	6,157,588	42.4
Share of profits/(loss) of associates	-	-	-	(4,518)	(38,760)	(88.3)
Profit before Tax	5,991,089	3,544,842	69.0	8,761,114	6,118,828	43.2
Tax expenses	(1,694,362)	(1,048,818)	61.5	(2,442,687)	(1,786,893)	36.7
Profit for the year	4,296,727	2,496,024	72.1	6,318,427	4,331,935	45.9
Profit Attributable to :						
Equity Holders of the Bank	4,296,727	2,496,024	72.1	5,812,919	3,861,675	50.5
Non-controlling interests	-	-	-	505,508	470,260	7.5
	4,296,727	2,496,024	72.1	6,318,427	4,331,935	45.9
Earnings per Share on Profit						
Basic earnings per ordinary share	4,297	2,496	72.1	5,813	3,862	50.5
Diluted earnings per ordinary share	30	17	72.1	40	27	50.5

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30TH JUNE**

	BANK		GROUP	
	2014 (Rs.'000) (Unaudited)	2013 (Rs.'000) (Unaudited)	2014 (Rs.'000) (Unaudited)	2013 (Rs.'000) (Unaudited)
Profit for 6 months ended	4,296,727	2,496,024	6,318,427	4,331,935
Other Comprehensive Income net of Tax				
Actuarial gains and losses on defined benefit plans	-	-	-	-
Deferred tax effect on defined benefit plan liability	-	-	(57,574)	-
Gains and losses on re-measuring available-for-sale financial assets	264,788	(34,816)	296,832	(119,076)
Gain on revaluation of land and buildings	-	-	-	-
Gain on revaluation of land and buildings - Associate	-	-	-	-
Gains and losses on derivative financial Assets	-	-	(81,230)	-
Less:				
Tax expense/(Income) relating to components of other comprehensive income	-	-	16,778	-
Other Comprehensive Income for the 6 months ended net of Taxes	264,788	(34,816)	174,807	(119,076)
Total Comprehensive Income for the 6 months ended	4,561,514	2,461,208	6,493,234	4,212,860
Attributable to :				
Equity Holders of the Bank	4,561,514	2,461,208	6,010,221	3,763,772
Non-controlling interests	-	-	483,013	449,088

STATEMENT OF FINANCIAL POSITION

AS AT

	BANK			GROUP		
	30.06.2014 (Rs. '000) (Unaudited)	31.12.2013 (Rs. '000) (Audited)	Change %	30.06.2014 (Rs. '000) (Unaudited)	31.12.2013 (Rs. '000) (Audited)	Change %
Assets						
Cash and Cash Equivalents	21,704,664	18,772,595	15.6	23,587,664	20,801,230	13.4
Balances with Central Bank of Sri Lanka	37,124,407	40,370,892	(8.0)	37,124,407	40,370,892	(8.0)
Placements with banks	131,066	2,551,215	(94.9)	131,066	2,551,215	(94.9)
Derivative Financial Instruments	15,790	35,391	(55.4)	15,790	35,391	(55.4)
Other Financial assets held-for-trading	55,877,948	63,748,857	(12.3)	56,325,503	64,057,091	(12.1)
Loans and receivables to Banks	139,144,141	82,225,089	69.2	144,352,827	82,339,403	75.3
Loans and receivables to other customers	557,494,806	619,829,735	(10.1)	649,104,880	710,074,499	(8.6)
Financial investments - Available-for-sale	311,733	311,733	-	1,655,711	1,737,175	(4.7)
Financial investments - Held-to-maturity	72,066,150	75,784,287	(4.9)	76,863,617	78,322,900	(1.9)
Investments in subsidiaries	1,145,908	1,245,908	(8.0)	-	-	-
Investments in associates	273,100	207,568	31.6	425,444	274,470	55.0
Goodwill and intangible assets	35,415	33,535	5.6	386,941	392,073	(1.3)
Property, plant and equipment	15,086,518	14,705,721	2.6	18,991,616	18,183,658	4.4
Investment properties	189,773	189,776	-	189,776	189,776	-
Prepaid Leases	297,172	295,732	0.5	297,172	295,732	0.5
Deferred tax assets	1,071,381	1,071,381	-	1,071,792	1,075,651	(0.4)
Current tax	253,685	-	-	-	-	-
Other assets	8,945,853	9,205,859	(2.8)	9,752,034	10,771,638	(9.5)
Total Assets	911,169,509	930,585,274	(2.1)	1,020,276,241	1,031,472,794	(1.1)
Liabilities						
Due to banks	75,489,600	81,794,017	(7.7)	87,358,940	101,987,002	(14.3)
Derivative Financial Instruments	-	215,844	(100.0)	131,444	215,844	(39.1)
Due to other customers	752,260,060	762,248,529	(1.3)	790,966,152	789,225,313	0.2
Other Borrowings	14,634,055	20,353,986	(28.1)	38,596,436	38,878,017	(0.7)
Current tax liabilities	-	393,380	(100.0)	404,369	877,476	(53.9)
Deferred tax liabilities	885,232	885,232	-	2,480,515	2,557,359	(3.0)
Other liabilities	13,879,507	13,124,898	5.7	19,111,963	19,501,921	(2.0)
Subordinated term debts	15,032,542	15,032,542	-	22,152,107	23,141,451	(4.3)
Total Liabilities	872,180,995	894,048,429	(2.4)	961,201,927	976,384,384	(1.6)
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	24,566,850	24,409,754	0.6	26,140,186	25,959,057	0.1
Retained earnings	4,407,901	2,113,408	108.6	18,875,031	14,168,284	27.3
Total shareholders' equity	38,988,513	36,536,844	6.7	54,028,900	50,141,024	7.8
Non-controlling interests	-	-	-	5,045,415	4,947,385	2.0
Total equity	38,988,513	36,536,844	6.7	59,074,315	55,088,409	7.2
Total equity and liabilities	911,169,509	930,585,274	(2.1)	1,020,276,241	1,031,472,794	(1.1)
Contingent Liabilities and Commitments	209,660,979	197,118,649	6.4	209,918,363	197,376,033	6.4
No of Employees	8,310	7,409	-	10,415	9,384	-
No of Branches	738	735	-	827	820	-

**STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30TH JUNE**

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	11,397,585	6,953,873	6,415,357	163,976	2,113,408	36,536,844
Profit for the period	-	-	-	-	-	-	-	4,296,727	4,296,727
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	-	-	-	-	-	-	-	(109,845)	(109,845)
Special Levy to Treasury	-	-	-	-	-	-	-	(2,000,000)	(2,000,000)
Tax on other comprehensive income	-	-	-	-	-	-	-	-	-
Balance as at 30.06.2014	49,998	7,152,000	2,811,685	11,397,585	6,953,873	6,572,453	163,976	4,407,981	38,988,513

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	-	-	-	-	-	-	-	5,812,919	5,812,919	505,508	6,318,427
Changes in Fair Value in AFS Investments	-	-	-	-	-	-	24,034	264,788	288,821	8,011	296,832
Net Defined Benefit obligation	-	-	-	-	-	-	-	-	-	-	-
Transfer to Reserve during the period	-	-	-	-	-	157,096	-	(157,096)	-	-	-
Dividend Paid to GOSL	-	-	-	-	-	-	-	(109,845)	(109,845)	-	(109,845)
Special Levy to Treasury	-	-	-	-	-	-	-	(2,000,000)	(2,000,000)	-	(2,000,000)
Movement in deemed disposal profit	-	-	-	-	-	-	-	(12,500)	(12,500)	(187,500)	(200,000)
Deffered tax effect on defined benefit plans	-	-	-	-	-	-	-	(43,181)	(43,181)	(14,394)	(57,574)
Gains and losses on derivative financial Assets	-	-	-	-	-	-	-	(60,922)	(60,922)	(20,307)	(81,230)
Dividend payment	-	-	-	-	-	-	-	-	-	(197,483)	(197,483)
Tax on other comprehensive income	-	-	-	-	-	-	-	12,584	12,584	4,195	16,778
Balance as at 30.06.2014	49,998	7,152,000	2,811,685	11,401,147	6,953,873	7,621,032	164,135	17,875,031	54,028,900	5,045,415	59,074,315

CASH FLOW STATEMENT				
FOR THE SIX MONTHS ENDED 30TH JUNE				
	BANK		GROUP	
	2014 (Rs.'000) (Unaudited)	2013 (Rs.'000) (Unaudited)	2014 (Rs.'000) (Unaudited)	2013 (Rs.'000) (Unaudited)
Cash flows from operating activities				
Profit before tax	5,991,089	3,544,842	8,761,114	6,118,828
Adjustment for				
Non-cash items included in profits before tax	803,078	4,720,876	1,582,643	5,047,677
Changes in operating assets	19,072,219	(68,560)	12,989,044	(7,824,838)
Changes in operating liabilities	(21,761,396)	32,646,720	(14,252,530)	36,557,911
Net gains from investing activities	-	-	-	-
Share of profits in associates and joint ventures	-	-	-	-
Dividend income from subsidiaries and associates	-	(88,165)	-	(88,165)
Interest expense on subordinated debt	993,750	668,750	993,750	668,750
Others	-	-	-	-
Contribution paid to defined benefit plans	287,343	380,370	287,343	380,370
Tax paid	(2,341,427)	(2,294,053)	(2,988,778)	(2,794,886)
Net Cash Generated from Operating Activities	3,044,657	39,510,781	7,372,585	38,065,650
Cash Flows from Investing Activities				
Purchase of property, plant and equipment	(847,675)	(407,363)	(1,406,350)	(553,742)
Proceeds from the sale of property, plant and equipment	28,968	2,379	33,090	2,379
Purchase of financial investments	-	-	-	-
Proceeds from the sale and maturity of financial investments	3,718,137	(40,579,883)	1,090,182	(39,602,913)
Net Increase/ (decrease) in financial investments held to maturity	-	-	(17,170)	-
Net purchase of intangible assets	(8,422)	-	-	(10,239)
Net cash flow from acquisition of investment in subsidiaries and associates	-	-	4,518	-
Net cash flow from disposal of subsidiaries	100,000	(60,174)	-	-
Proceeds from disposal of associates and joint ventures	-	-	-	38,760
Dividends received from investment in subsidiaries and associates	-	88,165	-	88,165
Others	-	-	-	-
Net Cash (used in) from Investing Activities	2,991,007	(40,956,876)	(295,729)	(40,037,590)
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	-	-	-	-
Repayment of subordinated debt	-	-	-	-
Interest paid on subordinated debt	(993,750)	(668,750)	(1,983,094)	(668,750)
Dividend paid to non-controlling interest	(109,845)	-	(307,328)	(289,855)
Dividend paid to shareholders of the parent company	-	-	-	-
Dividend paid to holders of other equity instruments	(2,000,000)	(1,644,570)	(2,000,000)	(2,275,527)
Share issue expenses	-	-	-	-
Disposal of changes of holdings	-	-	-	-
Net Cash from Financial Activities	(3,103,595)	(2,313,320)	(4,290,422)	(3,234,132)
Net Increase/(Decrease) in Cash & Cash Equivalents	2,932,069	(3,759,415)	2,786,434	(5,206,072)
Cash and cash equivalents at the beginning of the year	18,772,595	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	21,704,664	20,642,564	23,587,664	20,896,651

ADDITIONAL DISCLOSURES

	BANK		GROUP	
	30.06.2014	31.12.2013	30.06.2014	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	619,177,530	681,466,864	712,658,854	773,250,598
(Less) : Individual impairment	(39,593,218)	(39,341,542)	(39,899,963)	(39,530,980)
Collective impairment	(22,089,507)	(22,295,587)	(23,654,010)	(23,645,119)
Net loans and receivables	557,494,806	619,829,735	649,104,880	710,074,499
Analysis -Domestic Currency				
By product				
Overdrafts	67,289,476	66,950,906	66,909,959	66,799,190
Term loans	279,538,896	276,971,206	296,812,767	289,209,619
Lease Rental Receivable	-	-	76,086,274	79,227,227
Credit Cards	1,392,587	1,327,925	1,392,587	1,327,925
Pawning	139,193,075	197,128,580	139,193,075	197,128,580
Trade Finance	23,750,422	22,423,634	23,750,422	22,423,634
Others	12,113,985	25,527,998	12,614,681	25,997,807
Sub Total	523,278,441	590,330,248	616,759,765	682,113,982
Analysis -Foreign Currency				
By product				
Overdrafts	481,701	536,081	481,701	536,081
Term loans	10,446,086	9,792,579	10,446,086	9,792,579
Lease Rental Receivable	-	-	-	-
Credit Cards	-	-	-	-
Pawning	-	-	-	-
Trade Finance	84,971,302	80,807,956	84,971,302	80,807,956
Others	-	-	-	-
Sub Total	95,899,089	91,136,616	95,899,089	91,136,616
Grand Total	619,177,530	681,466,864	712,658,854	773,250,598
Movements in Individual and Collective Impairment during the period for loans and Receivables to other customers				
	BANK		GROUP	
	30.06.2014	31.12.2013	30.06.2014	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	251,676	1,935,783	368,983	2,064,073
Closing balance	39,593,218	39,341,542	39,899,963	39,530,980
Allowance for Collective impairment				
Opening balance	22,295,587	11,804,074	23,645,120	13,010,589
Charge (Write-back) to income statement	(192,941)	10,507,882	22,032	10,650,898
Write-off during the year	-	(83,602)	-	(83,602)
Other Movements	(13,139)	67,234	(13,142)	67,234
Closing balance	22,089,507	22,295,587	23,654,010	23,654,010
Total Impairment	61,682,725	61,637,129	63,553,973	63,176,099
Due to Other Customers				
Analysis				
Product Wise Analysis - Domestic Currency				
Demand deposit (current accounts)	39,840,887	36,728,336	38,215,806	33,711,138
Savings deposits	261,958,447	241,868,780	264,221,631	239,901,807
Fixed deposits	389,630,628	417,938,719	427,698,618	449,899,676
Other products	2,507,435	2,550,275	2,507,434	2,550,274
Sub Total	693,937,397	699,086,110	732,643,489	726,062,894
Due to Other Customers				
Product Wise Analysis - Foreign Currency				
Demand deposit (current accounts)	740,251	643,973	740,251	643,973
Savings deposits	14,375,872	14,111,758	14,375,872	14,111,758
Fixed deposits	43,099,451	48,375,691	43,099,451	48,375,691
Other products	107,089	30,997	107,090	30,997
Sub Total	58,322,663	63,162,419	58,322,663	63,162,419
Grand Total	752,260,060	762,248,529	790,966,152	789,225,313

SELECTED PERFORMANCE INDICATORS

	BANK		GROUP	
	As at 30.06.2014 (Unaudited)	As at 31.12.2013 (Audited)	As at 30.06.2014 (Unaudited)	As at 31.12.2013 (Audited)
Regulatory Capital Adequacy				
Core Capital (Tier 1 Capital), Rs. '000	29,253,932	29,261,006	48,781,456	48,565,960
Total Capital Base, Rs. '000	42,307,693	42,204,105	61,540,683	61,729,640
Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 5%)	9.8	10.4	11.9	12.5
Total capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 10%)	14.2	15.0	15.1	15.9
Assets Quality (Quality of Loan Portfolio)				
Gross Non- Performing Advances Ratio, % (net of Interest in Suspense)	6.9	5.3	6.3	4.9
Net Non- Performing Advances Ratio, % (net of interest in suspense and provisions)	3.6	2.0	3.2	1.8
Profitability				
Interest Margin, %	2.9	4.1	3.5	4.5
Return on Assets (Before Tax), %	1.3	1.1	1.7	1.3
Return on Equity (After Tax), %	22.8	22.8	22.1	18.2
Regulatory Liquidity				
Statutory Liquid Assets, Rs.Mn				
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 30.06.2014

	HFT	Financial	HTM	Amortised	AFS	Others	Total
	(Rs.'000)	Derivatives at FV (Rs.'000)	(Rs.'000)	Cost (Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)
ASSETS							
Cash and cash equivalents	-	-	-	21,704,664	-	-	21,704,664
Balances with Central Banks	-	-	-	37,124,407	-	-	37,124,407
Placements with Banks	-	-	-	131,066	-	-	131,066
Derivative Financial Instruments	-	15,790	-	-	-	-	15,790
Financial assets held-for-trading	55,877,948	-	-	-	-	-	55,877,948
Loans and receivables to banks	-	-	-	139,144,141	-	-	139,144,141
Loans and receivables to other customers	-	-	-	557,494,806	-	-	557,494,806
Financial investments	-	-	72,066,150	-	311,733	-	72,377,884
Investments in subsidiaries	-	-	-	-	-	1,145,908	1,145,908
Investments in associates	-	-	-	-	-	273,100	273,100
Current tax	-	-	-	-	-	253,685	253,685
Total financial assets	55,877,948	15,790	72,066,150	755,599,083	311,733	1,672,693	885,543,397
Other assets	-	-	-	-	-	25,626,112	25,626,112
Total assets	-	-	-	-	-	-	911,169,509
LIABILITIES							
Due to banks	-	-	-	75,489,600	-	-	75,489,600
Derivative Financial Instruments	-	-	-	-	-	-	-
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-	-	-
Due to other customers	-	-	-	752,260,060	-	-	752,260,060
Other Borrowings	-	-	-	14,634,055	-	-	14,634,055
Current tax liabilities	-	-	-	-	-	-	-
Subordinated term debts	-	-	-	15,032,542	-	-	15,032,542
Total financial liabilities	-	-	-	857,416,257	-	-	857,416,257
Other liabilities	-	-	-	-	-	13,879,507	13,879,507
Deferred tax liabilities	-	-	-	-	-	885,232	885,232
Total liabilities	-	-	-	-	-	-	872,180,995

MEASUREMENT OF FINANCIAL INSTRUMENTS

BANK AS AT 31.12. 2013

	HFT	Financial	HTM	Amortised	AFS	Others	Total
	(Rs.'000)	Derivatives at FV (Rs.'000)	(Rs.'000)	Cost (Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)
ASSETS							
Cash and cash equivalents	-	-	-	18,772,595	-	-	18,772,595
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	-	-	-	82,225,089	-	-	82,225,089
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	-	-	-	-	-	-	930,585,274
LIABILITIES							
Due to banks	-	-	-	81,794,017	-	-	81,794,017
Derivative Financial Instruments	-	215,844	-	-	-	-	215,844
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-	-	-
Due to other customers	-	-	-	762,248,529	-	-	762,248,529
Other Borrowings	-	-	-	20,353,986	-	-	20,353,986
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	880,038,298
Other liabilities	-	-	-	-	-	13,124,898	13,124,898
Deferred tax liabilities	-	-	-	-	-	885,232	885,232
Total liabilities	-	-	-	-	-	-	894,048,429

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

08.08.2014
Colombo.