

**STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2016**

In Rupees Thousand	Current Year From 01/01/2016 To 31/03/2016 (Unaudited)	Previous Year From 01/01/2015 To 31/03/2015 (Unaudited)
Interest Income	3,044,649	2,547,055
Interest Expenses	(1,475,021)	(1,143,582)
<b>Net Interest Income</b>	<b>1,569,628</b>	<b>1,403,473</b>
Fee and Commission Income	129,109	114,075
Fee and Commission Expenses	(30,408)	(26,851)
<b>Net Fee and Commission Income</b>	<b>91,701</b>	<b>87,224</b>
Net Gain / (Loss) from trading	-	-
Net Gain/(Loss) from financial instruments at fair value through profit or loss	-	-
Net Gain/(Loss) from Financial Investments	-	-
Other Operating Income (net)	18,050	2,878
<b>Total Operating Income</b>	<b>1,679,378</b>	<b>1,493,575</b>
Impairment for Loans & Other Losses	-	-
Individual Impairment	1,513	-
Collective Impairment	(31,798)	(94,360)
Others	-	-
<b>Net Operating Income</b>	<b>1,649,093</b>	<b>1,399,215</b>
Personal Expenses	1,011,581	911,678
Depreciation and Amortisation	58,272	42,194
Other Expenses	245,577	372,940
Levy Paid to general treasury	31,250	31,250
<b>Operating Profit / (Loss) before Value Added Tax (VAT)</b>	<b>302,413</b>	<b>41,153</b>
Net Building Tax	(19,717)	(14,287)
Value Added Tax (VAT) on financial services	(108,445)	(85,722)
<b>Profit / (Loss) before tax</b>	<b>174,251</b>	<b>(58,856)</b>
Tax Expenses	(88,854)	-
<b>Profit / (Loss) for the period</b>	<b>85,397</b>	<b>(58,856)</b>
<b>Profit attributable to :</b>		
Shareholders	85,397	(58,856)
Non-controlling Interest	-	-
<b>Earning per share</b>		
Basic earning per ordinary share	0.62	(0.43)
Diluted earning per ordinary share	-	-

**STATEMENT OF FINANCIAL POSITION AS AT 31<sup>ST</sup> MARCH 2016**

In Rupees Thousand	Current Year As at 31/03/2016 (Unaudited)	Previous Year As at 31/12/2015 (Audited)
<b>Assets</b>		
Cash and cash equivalents	455,621	310,592
Sri Lankan Government Securities	-	607,814
Balance with banks	16,759,989	15,813,955
Derivative financial instruments	-	-
Financial assets held for trading	179	200
Financial assets designated at fair value through profit or loss	-	-
Loans and receivables given to banks	-	-
Loans and receivables given to other customers	91,050,204	87,907,153
Financial Investments - Available-for-Sale	-	-
Financial Investments - Held-to-Maturity	-	-
Investments in Subsidiaries	-	-
Investments in associate and Joint Ventures	-	-
Property, plant and equipment	1,056,015	1,044,605
Investment properties	-	-
Goodwill and intangible assets	80,738	78,816
Deferred Tax Assets	171,634	171,634
Other assets	3,490,739	1,441,724
<b>Total assets</b>	<b>113,065,119</b>	<b>107,376,493</b>
<b>Liabilities</b>		
Due to banks	10,422,740	7,915,017
Derivatives Financial Instruments	-	-
Other Financial liabilities held for trading	-	-
Financial liabilities designated at fair value through profit or loss	-	-
Due to other customers	88,419,498	86,324,097
Debt issued and other borrowed funds	2,555,918	2,693,033
debt securities issued	-	-
Current tax liabilities	-	-
Deferred Tax liabilities	-	-
Other Provision	-	-
Other Liabilities	4,395,948	3,253,842
Retirement benefit obligation	967,212	972,097
Subordinated term debts	-	-
<b>Total Liabilities</b>	<b>106,761,315</b>	<b>101,158,086</b>
<b>Equity</b>		
State Capital / Assigned Capital	1,370,937	1,370,937
Statutory Reserve Fund	567,391	567,391
Retained Earnings	1,485,530	1,400,133
Other Reserves	2,879,946	2,879,946
Total Shareholders' Equity	<b>6,303,804</b>	<b>6,218,407</b>
Non-controlling interests	-	-
<b>Total Equity</b>	<b>6,303,804</b>	<b>6,218,407</b>
<b>Total Equity and Liabilities</b>	<b>113,065,119</b>	<b>107,376,493</b>
<b>Contingent Liabilities and Commitments</b>	270,501	232,012
<b>Memorandum Information</b>		
Number of permanent Employees	2,366	2,415
Number of Branches	265	265

**1) Loans and Receivables given to other Customers**

In Rupees Thousand	Bank	
	Current Period As at 31/03/2016	Previous Period As at 31/12/2015
Gross loans and receivables	92,596,024	89,469,402
(Less):		
Zero rate loan fair value adjustment	(211,352)	(257,836)
Staff loan fair value adjustment	(508,043)	(508,043)
Individual impairment charges	(89,592)	(91,035)
Collective impairment charges	(736,902)	(705,335)
<b>Net Loans and receivables</b> including those designated at fair value through profit or loss (Less): Loans and Receivables designated at fair value through profit & Loss	<b>91,050,204</b>	<b>87,907,153</b>
<b>Net loans and receivables</b>	<b>91,050,204</b>	<b>87,907,153</b>

**2) Loans and Receivables to other Customers - By product**

In Rupees Thousand	Bank	
	Current Period As at 31/03/2016	Previous Period As at 31/12/2015
<b>By Product - Domestic Currency</b>		
Overdrafts	-	-
Term Loans	81,443,597	78,352,122
Lease rentals receivables	-	-
Credit Cards	-	-
Pawning	7,488,691	7,653,380
Other Loans (Staff Loans)	2,603,394	2,390,935
Interest Receivable on Loans & Advances	1,060,342	1,072,966
<b>Sub Total</b>	<b>92,596,024</b>	<b>89,469,402</b>
<b>By Product - Foreign Currency</b>		
Overdrafts	-	-
Term Loans	-	-
Other Loans (Please Specify)	-	-
<b>Sub Total</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>92,596,024</b>	<b>89,469,402</b>

**3) Movements in individual and collective impairment during the period for Loans and Receivables to other customers**

In Rupees Thousand	Bank	
	Current Period As at 31/03/2016	Previous Period As at 31/12/2015
<b>Individual Impairment</b>		
Opening Balance	91,035	91,035
Charge / (Write back) to income statement	(1,513)	-
Write-off during the year	-	-
Other movements	-	-
<b>Closing Balance</b>	<b>89,522</b>	<b>91,035</b>
<b>Collective Impairment</b>		
Opening Balance	705,335	1,141,224
Charge/(write Back) to income Statement	31,798	(368,700)
Write-off during the year	(931)	(67,190)
Other movements	-	-
<b>Closing Balance</b>	<b>736,902</b>	<b>705,335</b>
<b>Total Impairment</b>	<b>826,424</b>	<b>796,370</b>

**4) Due to other customers - By Product**

In Rupees Thousand	Bank	
	Current Period As at 31/03/2016	Previous Period As at 31/12/2015
<b>By Product - Domestic Currency</b>		
Dormant Deposits (Current Accounts)	-	-
Savings Deposits	29,560,810	28,792,809
Fixed Deposits	50,468,457	49,457,681
Other Deposits (Long Term Savings)	8,390,230	8,073,607
<b>Sub Total</b>	<b>88,419,498</b>	<b>86,324,097</b>
<b>By Product - Foreign Currency</b>		
Dormant Deposits (Current Accounts)	-	-
Savings Deposits	-	-
Fixed Deposits	-	-
Other Deposits (Please specify)	-	-
<b>Sub Total</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>88,419,498</b>	<b>86,324,097</b>

**ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS AS AT 31<sup>ST</sup> MARCH 2016****a. Bank - Current Period**

In Rupees Thousand	HFT	HTM	Loans & Receivables	AFS	Total
<b>ASSETS</b>					
Cash and cash equivalents	-	-	455,621	-	455,621
Sri Lanka government securities	-	-	-	-	-
Placements with banks	-	-	16,759,989	-	16,759,989
Derivative Financial Instruments	-	-	-	-	-
Financial assets held for trading	179	-	-	-	179
Loans and receivables given to banks	-	-	-	-	-
Loans and receivables given to other customers	-	-	91,050,204	-	91,050,204
Financial Investments	-	-	-	-	-
Other assets	-	-	429,829	-	429,829
<b>Total Financial Assets</b>	<b>179</b>	<b>-</b>	<b>108,695,643</b>	<b>-</b>	<b>108,695,822</b>

**b. Bank - Previous Period**

In Rupees Thousand	HFT	HTM	Loans & Receivables	AFS	Total
<b>ASSETS</b>					
Cash and cash equivalents	-	-	310,592	-	310,592
Sri Lanka government securities	-	607,814	-	-	607,814
Balance with central banks	-	-	15,813,955	-	15,813,955
Placements with banks	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-
Financial Assets held for trading	200	-	-	-	200
Loans and receivables to banks	-	-	-	-	-
Loans and receivables given to other customers	-	-	87,907,153	-	87,907,153
Other assets	-	-	775,983	-	775,983
<b>Total Financial Assets</b>	<b>200</b>	<b>607,814</b>	<b>104,807,682</b>	<b>-</b>	<b>105,415,697</b>

**b. Bank - Previous Period**

In Rupees Thousand	HFT	HTM	Loans & Receivables	AFS	Total
<b>LIABILITIES</b>					
Due to banks	-	-	10,422,740	-	10,422,740
Derivative financial instruments	-	-	-	-	-
Other financial liabilities at fair value through profit or loss	-	-	-	-	-
Due to other customers	-	-	88,419,498	-	88,419,498
Other Borrowings	-	-	-	-	-
Debt securities issued	-	-	2,555,918	-	2,555,918
<b>Total Financial liabilities</b>	<b>-</b>	<b>-</b>	<b>101,398,155</b>	<b>-</b>	<b>101,398,155</b>

**b. Bank - Previous Period**

In Rupees Thousand	HFT	HTM	Amortized Cost	AFS	Total
<b>LIABILITIES</b>					
Due to banks	-	-	7,915,017	-	7,915,017
Derivative financial instruments	-	-	-	-	-
Other financial liabilities at fair value through profit or loss	-	-	-	-	-
Due to other customers	-	-	86,324,097	-	86,324,097
Other Borrowings	-	-	-	-	-
Debt securities issued	-	-	2,693,033	-	2,693,033
<b>Total Financial liabilities</b>	<b>-</b>	<b>-</b>	<b>96,932,147</b>	<b>-</b>	<b>96,932,147</b>

**STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2016**

In Rupees Thousand	Bank	
	Current Period 31/03/2016	Previous Period 31/12/2015
<b>Cash Flows from Operating Activities</b>		
Profit before tax	302,413	1,962,795
Adjustment for:		
Non-Cash item included in Profits before tax	133,625	103,093
Change in Operating assets	(5,799,880)	(24,796,383)
Change in Operating Liabilities	5,641,570	12,674,110
Other reclassification	-	(307)
Contribution paid to defined benefit plans	(4,885)	(19,648)
Tax paid	(220,387)	(1,157,331)
<b>Net cash generated from operating activities</b>	<b>52,457</b>	<b>(11,233,672)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(25,658)	(413,677)
Proceeds from the sale of property, plant and equipment	247	7,773
Net purchase of intangible assets	(1,973)	(59,218)
Net proceeds from sales of investment share market	-	-
<b>Net cash (used in)/from investing activities</b>	<b>(27,384)</b>	<b>(465,123)</b>
<b>Cash flow from financing activities</b>		
Net proceeds from the issue of ordinary share capital	-	-
Net proceeds from the issue of subordinate debt	-	2,500,000
Dividend paid	-	(137,094)
<b>Net cash from financing activities</b>	<b>-</b>	<b>2,362,906</b>
<b>Net Increase / (decrease) in cash &amp; cash equivalents</b>	<b>25,073</b>	<b>(9,335,889)</b>
Cash and cash equivalents at the beginning of the period	15,946,421	25,282,309
<b>Cash and cash equivalents at the end of the period</b>	<b>15,971,493</b>	<b>15,946,421</b>
<b>Reconciliation of Cash &amp; Cash Equivalents</b>		
Cash and cash equivalents	455,621	310,592
Favourable Balances with banks	16,759,989	15,813,955
Unfavourable Balances with banks	(1,244,116)	(178,126)
<b>Total</b>	<b>15,971,493</b>	<b>15,946,421</b>

**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2016**

Bank	Stated Capital/Assigned Capital		Reserves				Total	Non controlling Interest	Total equity	
	Ordinary voting shares	Ordinary Non-voting shares	Assigned Capital	Statutory Reserve Fund	Revaluation Reserve	Retained earnings				Other reserves
<b>In rupees thousand</b>										
Balance as at 01/01/2016 (Opening balance)	-	-	1,370,937	567,391	-	1,400,132	2,879,946	6,218,407	-	6,218,407
Profit / (loss) for the year	-	-	-	-	-	85,397	-	85,397	-	85,397
Other comprehensive income (net of Tax)	-	-	-	-	-	-	-	-	-	-
Issued Share Capital	-	-	-	-	-	-	-	-	-	-
Transferred to Investment Fund	-	-	-	-	-	-	-	-	-	-
Transferred to Statutory Reserve Fund	-	-	-	-	-	-	-	-	-	-
Transferred to Special Reserve Fund	-	-	-	-	-	-	-	-	-	-
Transferred to General Reserve Fund	-	-	-	-	-	-	-	-	-	-
Transferred from Investment Fund	-	-	-	-	-	-	-	-	-	-
Others (please specify)	-	-	-	-	-	-	-	-	-	-
<b>Total transaction with equity holders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Balance as at 31/03/2016 (closing balance)	-	-	1,370,937	567,391	-	1,485,530	2,879,946	6,303,804		