

### INCOME STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2016

In Rupees Thousand	Current Year From 01/01/2016 To 31/12/2016 (Audited)	Previous Year From 01/01/2015 To 31/12/2015 (Audited)
Interest Income	14,813,083	11,759,233
Interest Expenses	(7,197,199)	(5,168,680)
<b>Net Interest Income</b>	<b>7,615,885</b>	<b>6,590,552</b>
Fee and Commission Income	905,637	739,950
Fee and Commission Expenses	(124,649)	(114,175)
<b>Net Fee and Commission Income</b>	<b>780,987</b>	<b>625,776</b>
Net Gain / (Loss) from trading	-	-
Net Gain/(Loss) from financial instruments at fair value through profit or loss	4	(6)
Net Gain/(Loss) from Financial Investments	-	-
Other Operating Income (net)	25,617	10,936
<b>Total Operating Income</b>	<b>8,422,493</b>	<b>7,227,257</b>
Impairment for Loans & Other Losses	29,110	(201,066)
<b>Net Operating Income</b>	<b>8,451,603</b>	<b>7,026,192</b>
Personal Expenses	(4,609,233)	(4,082,142)
Depreciation and Amortisation	(37,169)	(35,364)
Other Expenses	(1,674,634)	(1,424,622)
<b>Operating Profit / (Loss) before Value Added Tax (VAT)</b>	<b>2,130,568</b>	<b>1,484,064</b>
Nation Building Tax	(107,483)	(90,950)
Value Added Tax (VAT) on financial services	(767,485)	(421,200)
<b>Profit / (Loss) before tax</b>	<b>1,255,600</b>	<b>971,915</b>
Tax Expenses	(614,312)	(442,763)
<b>Profit / (Loss) for the Year</b>	<b>641,288</b>	<b>529,152</b>
<b>Profit attributable to:</b>		
Share Holders	641,288	529,152
Earnings per share		
Basic earning per ordinary share	4.68	3.86

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2016

In Rupees Thousand	Current Year From 01/01/2016 To 31/12/2016 (Audited)	Previous Year From 01/01/2015 To 31/12/2015 (Audited)
Profit for the Year	641,288	529,152
Other Comprehensive Income/(expenses)		
Items that will not be reclassified to profit & Loss		
Actuarial Gain/(Loss) on Define Benefit Plan	(170,393)	61,260
Deferred tax effect on above	47,710	(14,074)
<b>Total Other Comprehensive Income for the Year, Net of Taxes</b>	<b>(122,683)</b>	<b>47,187</b>
<b>Total Comprehensive Income for the Year</b>	<b>518,605</b>	<b>576,338</b>

### STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2016

In Rupees Thousand	Current Year As at 31/12/2016 (Audited)	Previous Year As at 31/12/2015 (Audited)
<b>Assets</b>		
Cash and cash equivalents	428,698	310,592
Sri Lankan Government Securities	-	607,814
Balance with banks	18,979,572	2,952,334
Placements with banks	1,682,030	12,861,621
Derivative financial instruments	-	-
Financial assets held for trading	204	200
Financial assets designated at fair value through profit or loss	-	-
Loans and receivables given to banks	-	-
Loans and receivables given to other customers	105,653,631	87,079,454
Financial Investments - Available-for-Sale	-	-
Financial Investments - Held-to-Maturity	516,742	-
Investments in Subsidiaries	-	-
Investments in associate and Joint Ventures	-	-
Property, Plant and Equipment	1,186,398	1,044,605
Investment Properties	-	-
Goodwill and intangible assets	58,026	78,816
Deferred Tax Assets	217,650	171,634
Other assets	2,191,034	1,673,473
<b>Total assets</b>	<b>130,913,984</b>	<b>106,780,543</b>
<b>Liabilities</b>		
Due to banks	11,765,493	7,951,291
Derivatives Financial Instruments	-	-
Other financial liabilities held for trading	-	-
Financial liabilities designated at fair value through profit or loss	-	-
Due to other customers	107,031,721	87,753,700
Debt issued and other borrowed funds	-	-
Debt securities issued	2,708,377	2,693,033
Current tax liabilities	-	-
Deferred Tax liabilities	-	-
Other Provisions	-	-
Other liabilities	2,130,544	1,792,988
Retirement benefit obligation	1,278,903	972,097
<b>Total Liabilities</b>	<b>124,915,039</b>	<b>101,163,108</b>
<b>Equity</b>		
State Capital / Assigned Capital	1,370,937	1,370,937
Statutory Reserve Fund	599,456	567,391
Retained Earnings	988,284	799,160
Other Reserves	3,040,268	2,879,946
<b>Total Shareholders' Equity</b>	<b>5,998,946</b>	<b>5,617,434</b>
Non-controlling interests	-	-
<b>Total Equity</b>	<b>5,998,946</b>	<b>5,617,434</b>
<b>Total Equity and Liabilities</b>	<b>130,913,984</b>	<b>106,780,543</b>
Contingent Liabilities and Commitments	453,556	232,012
<b>Memorandum Information</b>		
Number of permanent Employees	2,350	2,368
Number of Branches	265	265

#### 1) Loans and Receivables to other Customers

In Rupees Thousand	Bank	
	Current Year As at 31/12/2016 (Audited)	Previous Year As at 31/12/2015 (Audited)
Gross loans and receivables	108,102,760	89,469,402
(less): Zero rate loan fair value adjustment	(159,863)	(257,836)
Staff loan fair value adjustment	(760,807)	(508,043)
Individual impairment charges	(24,184)	(91,035)
Collective impairment charges	(1,504,275)	(1,533,034)
<b>Net Loans and receivables including those designated at fair value through profit or loss</b>	<b>105,653,631</b>	<b>87,079,454</b>
(Less): Loans and Receivables designated at fair value through profit & Loss	-	-
<b>Net loans and receivables</b>	<b>105,653,631</b>	<b>87,079,454</b>

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

In Rupees Thousand	Bank	
	Current Year As at 31/12/2016 (Audited)	Previous Year As at 31/12/2015 (Audited)
<b>By Product - Domestic Currency</b>		
Term Loans	95,737,973	78,352,122
Pawning	7,873,700	7,653,380
Other Loans (Staff Loans)	3,193,923	2,390,935
Interest Receivable on Loans & Advances	1,297,163	1,072,966
<b>Total</b>	<b>108,102,760</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 Year As at 31/12/2016 (Audited)	Previous Year As at 31/12/2015 (Audited)
<b>Individual Impairment</b>		
Opening Balance	91,035	-
Charge / (Write back) to income statement	(66,851)	91,035
Write-off during the year	-	-
Other movements	-	-
<b>Closing Balance</b>	<b>24,184</b>	<b>91,035</b>
<b>Collective Impairment</b>		
Opening Balance	1,533,034	1,490,193
Charge/(write Back) to income Statement	37,741	110,031
Write-off during the year	(56,125)	(609)
Other movements	(10,375)	(66,580)
<b>Closing Balance</b>	<b>1,504,275</b>	<b>1,533,034</b>
<b>Total Impairment</b>	<b>1,528,459</b>	<b>1,624,069</b>

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

In Rupees Thousand	Bank	
	Current Year As at 31/12/2016 (Audited)	Previous Year As at 31/12/2015 (Audited)
<b>By Product - Domestic Currency</b>		
Savings Deposits	32,669,438	28,798,164
Fixed Deposits	65,031,577	50,840,846
Other Deposits (Long Term Savings)	9,330,706	8,114,690
<b>Total</b>	<b>107,031,721</b>	<b>87,753,700</b>

### ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS AS AT 31ST DECEMBER 2016

#### a. Bank - Current Year (Audited)

In Rupees Thousand	HFT	HTM	Loans & Receivables	AFS	Total
<b>ASSETS</b>					
Cash and cash equivalents	-	-	428,698	-	428,698
Sri Lanka government securities	-	-	-	-	-
Balances with other banks	-	-	18,979,572	-	18,979,572
Placements with banks	-	-	1,682,030	-	1,682,030
Derivative Financial Instruments	-	-	-	-	-
Financial assets held for trading	204	-	-	-	204
Financial assets held to maturity	-	516,742	-	-	516,742
Loans and receivables given to other customers	-	-	105,653,631	-	105,653,631
Financial Investments	-	-	-	-	-
Other assets	-	-	1,100,619	-	1,100,619
<b>Total Financial Assets</b>	<b>204</b>	<b>516,742</b>	<b>127,844,551</b>	<b>-</b>	<b>128,361,497</b>

#### b. Bank - Previous Year (Audited)

In Rupees Thousand	HFT	HTM	Amortized Cost	AFS	Total
<b>LIABILITIES</b>					
Due to banks	-	-	11,765,493	-	11,765,493
Derivative financial instruments	-	-	-	-	-
Other financial liabilities at fair value through profit or loss	-	-	-	-	-
Due to other customers	-	-	107,031,721	-	107,031,721
Debt securities issued	-	-	2,708,377	-	2,708,377
Other Liabilities	-	-	2,130,544	-	2,130,544
<b>Total Financial liabilities</b>	<b>-</b>	<b>-</b>	<b>123,636,136</b>	<b>-</b>	<b>123,636,136</b>

#### b. Bank - Previous Year (Audited)

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
Balances with other banks	-	-	2,952,334	-	2,952,334
Placements with banks	-	-	12,861,621	-	12,861,621
Derivative Financial Instruments	-	-	-	-	-
Financial assets held for trading	200	-	-	-	200
Loans and receivables to banks	-	-	-	-	-
Loans and receivables given to other customers	-	-	87,079,454	-	87,079,454
Other assets	-	-	592,768	-	592,768
<b>Total Financial Assets</b>	<b>200</b>	<b>607,814</b>	<b>103,796,768</b>	<b>-</b>	<b>104,404,783</b>

In Rupees Thousand	HFT	HTM	Amortized Cost	AFS	Total
<b>LIABILITIES</b>					
Due to banks	-	-	7,951,291	-	7,951,291
Derivative financial instruments	-	-	-	-	-
Other financial liabilities at fair value through profit or loss	-	-	-	-	-
Due to other customers	-	-	87,753,700	-	87,753,700
Debt securities issued	-	-	2,693,033	-	2,693,033
Other Liabilities	-	-	1,792,988	-	1,792,988
<b>Total Financial liabilities</b>	<b>-</b>	<b>-</b>	<b>100,191,011</b>	<b>-</b>	<b>100,191,011</b>