



Hatton **N**ational **B**ank PLC

**Interim Financial Statements
for the Six Months ended 30th June 2016**

STATEMENT OF PROFIT OR LOSS

	BANK						GROUP					
	For the 6 months ended 30th June			For the quarter ended 30th June			For the 6 months ended 30th June			For the quarter ended 30th June		
	2016 Rs 000	2015 Rs 000	% Increase/ (Decrease)	2016 Rs 000	2015 Rs 000	% Increase/ (Decrease)	2016 Rs 000	2015 Rs 000	% Increase/ (Decrease)	2016 Rs 000	2015 Rs 000	% Increase/ (Decrease)
Income	37,676,423	28,904,045	30	19,747,695	15,127,293	31	43,092,708	32,924,860	31	22,388,733	17,097,912	31
Interest income	33,541,448	24,940,961	34	18,003,066	12,886,884	40	36,266,673	26,884,938	35	19,397,792	13,920,230	39
Less: Interest expenses	17,682,014	12,097,787	46	9,523,295	6,233,061	53	18,266,968	12,512,215	46	9,828,002	6,443,973	53
Net interest income	15,859,434	12,843,174	23	8,479,771	6,653,823	27	17,999,705	14,372,723	25	9,569,790	7,476,257	28
Fee and commission income	3,406,735	2,719,092	25	1,671,590	1,366,207	22	3,728,256	2,962,401	26	1,829,175	1,493,172	23
Less: Fee and commission expenses	47,208	50,611	(7)	24,470	29,669	(18)	72,281	72,752	(1)	38,051	40,016	(5)
Net fee and commission income	3,359,527	2,668,481	26	1,647,120	1,336,538	23	3,655,975	2,889,649	27	1,791,124	1,453,156	23
Net interest, fee and commission income	19,218,961	15,511,655	24	10,126,891	7,990,361	27	21,655,680	17,262,372	25	11,360,914	8,929,413	27
Net gain/(loss) from trading	(523,328)	(531,281)	(1)	(2,618,901)	(602,657)	335	(564,667)	(517,383)	9	(2,603,363)	(574,759)	353
Net gain/(loss) from financial instruments designated at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	-	-
Net gain/(loss) from financial investments	106,771	200,236	(47)	3,990	131,809	(97)	118,613	224,875	(47)	15,054	187,593	(92)
Net insurance premium income	-	-	-	-	-	-	2,585,523	2,196,218	18	1,268,984	1,125,930	13
Other operating income (net)	1,144,797	1,575,037	(27)	2,687,950	1,345,050	100	958,310	1,173,811	(18)	2,481,091	945,746	162
Total Operating income	19,947,201	16,755,647	19	10,199,930	8,864,563	15	24,753,459	20,339,893	22	12,522,680	10,613,923	18
Impairment for loans and other losses												
Individual Impairment	(31,233)	364,915	(109)	(65,933)	196,195	(134)	30,442	386,700	(92)	(35,589)	205,664	(117)
Collective Impairment	162,423	1,040,991	(84)	93,542	633,231	(85)	162,423	1,052,809	(85)	93,542	644,574	(85)
Others	5,968	13,949	(57)	3,655	15,320	(76)	5,968	13,949	(57)	3,655	15,320	(76)
Net operating income	19,810,043	15,335,792	29	10,168,666	8,019,817	27	24,554,626	18,886,435	30	12,461,072	9,748,365	28
Operating expenses												
Personnel expenses	4,492,614	4,060,016	11	2,281,668	2,098,043	9	5,262,329	4,673,418	13	2,687,155	2,412,350	11
Depreciation and amortisation	500,409	492,238	2	253,065	240,382	5	657,972	628,995	5	325,798	312,820	4
Benefits, claims and underwriting expenditure	-	-	-	-	-	-	2,372,896	1,983,648	20	1,222,212	1,007,717	21
Other expenses	4,026,913	3,505,338	15	2,042,386	1,735,105	18	4,505,160	3,842,302	17	2,280,980	1,898,035	20
Total Operating expenses	9,019,936	8,057,592	12	4,577,119	4,073,530	12	12,798,357	11,128,363	15	6,516,145	5,630,922	16
Operating profit before value added tax (VAT) and nation building tax (NBT) on financial services	10,790,107	7,278,200	48	5,591,547	3,946,287	42	11,756,269	7,758,072	52	5,944,927	4,117,443	44
Value added tax (VAT) and nation building tax (NBT) on financial services	1,678,473	1,200,630	40	866,235	642,331	35	1,832,200	1,310,078	40	936,733	700,669	34
Operating profit after value added tax (VAT) and nation building tax (NBT) on financial services	9,111,634	6,077,570	50	4,725,312	3,303,956	43	9,924,069	6,447,994	54	5,008,194	3,416,774	47
Share of profits of Joint Venture (net of income tax)	-	-	-	-	-	-	84,763	36,483	132	73,167	56,677	29
Profit before income tax	9,111,634	6,077,570	50	4,725,312	3,303,956	43	10,008,832	6,484,477	54	5,081,361	3,473,451	46
Income tax expense	2,702,845	1,765,648	53	1,408,320	830,082	70	3,004,188	1,928,295	56	1,548,624	928,064	67
Profit for the period	6,408,789	4,311,922	49	3,316,992	2,473,874	34	7,004,644	4,556,182	54	3,532,737	2,545,387	39
Profit attributable to:												
Equity holders of the Bank	6,408,789	4,311,922	49	3,316,992	2,473,874	34	6,665,001	4,301,328	55	3,359,422	2,386,107	41
Non-controlling interests	-	-	-	-	-	-	339,643	254,854	33	173,315	159,280	9
Profit for the period	6,408,789	4,311,922	49	3,316,992	2,473,874	34	7,004,644	4,556,182	54	3,532,737	2,545,387	39
Earnings per share on profit												
Basic earnings per ordinary share (Rs)	15.53	10.51	48	8.03	6.02	33	16.97	11.11	53	8.56	6.19	38
Diluted earnings per ordinary share (Rs)	15.49	10.45	48	8.02	5.99	34	16.93	11.05	53	8.54	6.16	39

STATEMENT OF COMPREHENSIVE INCOME

	BANK						GROUP					
	For the 6 months ended 30th June			For the quarter ended 30th June			For the 6 months ended 30th June			For the quarter ended 30th June		
	2016 Rs 000	2015 Rs 000	% Increase/ (Decrease)	2016 Rs 000	2015 Rs 000	% Increase/ (Decrease)	2016 Rs 000	2015 Rs 000	% Increase/ (Decrease)	2016 Rs 000	2015 Rs 000	% Increase/ (Decrease)
Profit for the period	6,408,789	4,311,922	49	3,316,992	2,473,874	34	7,004,644	4,556,182	54	3,532,737	2,545,387	39
Other comprehensive income, net of tax												
Other comprehensive income to be reclassified to profit or loss												
Available-for-sale financial assets:												
Net change in fair value during the period	(3,168,916)	(50,637)	6,158	989,935	507,876	95	(3,326,336)	(97,576)	3,309	983,611	553,358	78
Transfer to life policy holder reserve fund	-	-	-	-	-	-	148,274	41,997	253	7,240	(42,254)	117
Deferred Tax effect on above	442,741	(146,869)	401	(379,801)	(151,219)	151	442,741	(146,869)	401	(379,801)	(151,219)	151
Share of other comprehensive income of equity accounted joint venture	-	-	-	-	-	-	(38,962)	(13,994)	178	(29,771)	(14,608)	104
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	(2,726,175)	(197,506)	1,280	610,134	356,657	71	(2,774,283)	(216,442)	1,182	581,279	345,277	68
Other comprehensive income not to be reclassified to profit or loss in subsequent periods												
Actuarial gains and losses on defined benefit plans	-	-	-	-	-	-	12,922	(12,781)	201	12,922	(12,781)	201
Deferred tax effect on above	-	-	-	-	-	-	(3,618)	3,578	(201)	(3,618)	3,578	(201)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	-	-	-	-	-	-	9,304	(9,203)	201	9,304	(9,203)	201
Other comprehensive income for the period, net of tax	(2,726,175)	(197,506)	1,280	610,134	356,657	71	(2,764,979)	(225,645)	1,125	590,583	336,074	76
Total comprehensive income for the period	3,682,614	4,114,416	(10)	3,927,126	2,830,531	39	4,239,665	4,330,537	(2)	4,123,320	2,881,461	43
Total comprehensive income attributable to:												
Equity holders of the Bank	3,682,614	4,114,416	(10)	3,927,126	2,830,531	39	3,898,299	4,082,983	(5)	3,944,257	2,726,213	45
Non-controlling interests	-	-	-	-	-	-	341,366	247,554	38	179,063	155,248	15
Total comprehensive income for the period	3,682,614	4,114,416	(10)	3,927,126	2,830,531	39	4,239,665	4,330,537	(2)	4,123,320	2,881,461	43

STATEMENT OF FINANCIAL POSITION

	BANK			GROUP		
	As at 30.06.2016 Rs 000	As at 31.12.2015 (Audited) Rs 000	% Increase / (Decrease)	As at 30.06.2016 Rs 000	As at 31.12.2015 (Audited) Rs 000	% Increase / (Decrease)
ASSETS						
Cash and cash equivalents	14,858,093	14,909,598	-	15,369,029	15,419,654	-
Balances with Central Bank of Sri Lanka	27,730,867	20,096,090	38	27,730,867	20,096,090	38
Placements with banks	-	26,827	(100)	1,064,833	1,174,326	(9)
Reverse repurchase agreements	5,905,061	4,869,219	21	7,286,678	7,782,374	(6)
Derivative financial instruments	602,404	1,302,872	(54)	602,404	1,302,872	(54)
Financial investments - Fair value through profit or loss	545,361	593,390	(8)	737,093	1,948,772	(62)
Non - current assets held for sale	-	20,151	(100)	-	20,151	(100)
Loans and receivables to customers	525,586,153	498,341,628	5	536,556,212	507,244,329	6
Financial investments - Available-for-sale	97,149,813	78,046,505	24	102,803,185	79,718,231	29
Financial investments - Held-to-maturity	-	-	-	1,230,360	1,257,433	(2)
Financial investments - Loans and receivables	97,614,103	84,206,702	16	99,731,291	87,087,205	15
Investments in Joint Venture	655,000	655,000	-	1,298,850	1,253,370	4
Investments in Subsidiaries	3,017,285	3,017,285	-	-	-	-
Investment properties	390,776	386,643	1	1,083,131	1,041,797	4
Property, plant and equipment	11,448,846	11,473,569	-	23,867,016	23,908,688	-
Goodwill and other intangible assets	731,438	659,309	11	1,083,591	1,001,230	8
Deferred tax assets	71,596	-	-	-	-	-
Other assets	6,816,705	6,602,922	3	8,468,976	7,328,053	16
Total Assets	793,123,501	725,207,710	9	828,913,516	757,584,575	9
LIABILITIES						
Due to banks	65,594,989	58,232,034	13	65,643,277	58,283,838	13
Derivative financial instruments	1,012,553	304,485	233	1,012,553	304,485	233
Securities sold under repurchase agreements	37,668,619	16,630,201	127	37,668,619	16,630,201	127
Due to customers	556,948,838	527,126,181	6	567,303,595	536,132,789	6
Dividends payable	830,842	764,771	9	830,842	764,771	9
Other borrowings	27,152,308	26,833,109	1	27,152,308	26,833,109	1
Debt securities issued	4,593,090	4,490,742	2	5,033,082	4,913,751	2
Current tax liabilities	5,752,907	4,542,977	27	6,090,107	4,762,707	28
Insurance provision - life	-	-	-	8,017,769	7,007,081	14
Insurance provision - general	-	-	-	2,125,378	1,546,266	37
Deferred tax liabilities	-	378,820	(100)	206,310	579,102	(64)
Other provisions	2,233,301	2,538,111	(12)	2,472,209	2,746,294	(10)
Other liabilities	5,128,664	6,250,856	(18)	6,370,348	7,250,893	(12)
Subordinated term debts	18,972,936	12,064,370	57	18,741,302	12,085,598	55
Total Liabilities	725,889,047	660,156,657	10	748,667,699	679,840,885	10

STATEMENT OF FINANCIAL POSITION

	BANK			GROUP		
	As at 30.06.2016 Rs 000	As at 31.12.2015 (Audited) Rs 000	% Increase / (Decrease)	As at 30.06.2016 Rs 000	As at 31.12.2015 (Audited) Rs 000	% Increase / (Decrease)
EQUITY						
Stated capital	15,189,948	13,826,873	10	15,189,948	13,826,873	10
Statutory reserves	3,760,000	3,760,000	-	3,760,000	3,760,000	-
Retained earnings	8,837,237	5,270,848	68	11,776,050	7,949,848	48
Other reserves	39,447,269	42,193,332	(7)	47,088,895	50,027,681	(6)
Total equity attributable to equity holders of the Bank	67,234,454	65,051,053	3	77,814,893	75,564,402	3
Non- controlling Interests	-	-	-	2,430,924	2,179,288	12
Total equity	67,234,454	65,051,053	3	80,245,817	77,743,690	3
Total Liabilities and Equity	793,123,501	725,207,710	9	828,913,516	757,584,575	9
Contingent liabilities and commitments	496,438,504	423,812,517	17	496,438,504	423,812,517	17
Net Asset Value per Share (Rs.)	162.81	160.29	2	188.43	186.20	1
Memorandum Information						
Number of Employees	4,235	4,285				
Number of Branches	249	249				

CERTIFICATION

I certify that the above financial statements are in compliance with the requirements of the Companies Act No. 7 of 2007 and give a true and fair view of the state of affairs of Hatton National Bank PLC and the Group as at 30th June 2016 and its profit for the six months ended 30th June 2016.

(Sgd.)

Ashok Goonesekere

Chief Financial Officer

09th August 2016

We the undersigned, being the Managing Director/Chief Executive Officer and the Director of Hatton National Bank PLC certify jointly that :

- (a) the above statements have been prepared in compliance with the formats and definitions prescribed by the Central Bank of Sri Lanka and Rule 7.4 of Colombo Stock Exchange.
- (b) the information contained in these statements have been extracted from the unaudited financial statements of the Bank, its Joint Venture and Subsidiary Companies unless indicated as audited.

(Sgd.)

Jonathan Alles

Managing Director / Chief Executive Officer

09th August 2016

(Sgd.)

Rose Cooray

Director

09th August 2016

STATEMENT OF CHANGES IN EQUITY - BANK

For the 06 months ended 30th June 2016	Stated Capital		Statutory Reserves	Other Reserves					Retained Earnings	Total
	Voting	Non-Voting	Reserve	Available for	Capital	General	ESOP			
			Fund	Sale Reserve	Reserve	Reserve	Reserve			
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000			
Balance as at 1st January 2016	11,110,689	2,716,184	3,760,000	4,455,566	6,435,410	31,100,000	202,356	5,270,848	65,051,053	
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	-	6,408,789	6,408,789	
Other Comprehensive Income for the period (net of tax)	-	-	-	(2,726,175)	-	-	-	-	(2,726,175)	
Total comprehensive income for the period	-	-	-	(2,726,175)	-	-	-	6,408,789	3,682,614	
Transactions with equity holders, recognised directly in equity										
Issue of shares under ESOP	57,109	6,998	-	-	-	-	-	-	64,107	
Final dividend 2015 - Scrip	1,022,473	256,607	-	-	-	-	-	(1,421,200)	(142,120)	
Final dividend 2015 - Cash	-	-	-	-	-	-	-	(1,421,200)	(1,421,200)	
Total transactions with equity holders	1,079,582	263,605	-	-	-	-	-	(2,842,400)	(1,499,213)	
Transfers during the period										
Fair value of the employee share options exercised	17,714	2,174	-	-	-	-	(19,888)	-	-	
Balance as at 30th June 2016	12,207,985	2,981,963	3,760,000	1,729,391	6,435,410	31,100,000	182,468	8,837,237	67,234,454	
For the 06 months ended 30th June 2015										
Balance as at 1st January 2015	10,640,391	2,649,601	3,160,000	6,755,355	4,466,918	25,100,000	318,339	7,808,059	60,898,663	
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	-	4,311,922	4,311,922	
Other Comprehensive Income for the period (net of tax)	-	-	-	(197,506)	-	-	-	-	(197,506)	
Total comprehensive income for the period	-	-	-	(197,506)	-	-	-	4,311,922	4,114,416	
Transactions with equity holders, recognised directly in equity										
Issue of shares under ESOP	282,391	38,547	-	-	-	-	-	-	320,938	
Final dividend 2014 - Cash	-	-	-	-	-	-	-	(2,827,776)	(2,827,776)	
Total transactions with equity holders	282,391	38,547	-	-	-	-	-	(2,827,776)	(2,506,838)	
Transfers during the period										
Fair value of the employee share options exercised	72,321	10,264	-	-	-	-	(82,585)	-	-	
Balance as at 30th June 2015	10,995,103	2,698,412	3,160,000	6,557,849	4,466,918	25,100,000	235,754	9,292,205	62,506,241	

STATEMENT OF CHANGES IN EQUITY - GROUP

For the 06 months ended 30th June 2016	Stated Capital		Statutory	Other Reserves			Life policy	Retained Earnings	Non Controlling Interests	Total Equity	
	Voting	Non-Voting	Reserves	Available for Sale Reserve	Capital Reserve	General Reserve	ESOP Reserve				holder Reserve fund
			Fund								
Balance as at 1st January 2016	11,110,689	2,716,184	3,760,000	4,518,441	14,263,234	31,100,000	202,356	(56,350)	7,949,848	2,179,288	77,743,690
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	-	6,665,001	339,643	7,004,644
Other Comprehensive Income for the period (net of tax)	-	-	-	(2,770,624)	-	-	-	-	3,922	1,723	(2,764,979)
Total comprehensive income for the period	-	-	-	(2,770,624)	-	-	-	-	6,668,923	341,366	4,239,665
Transactions with equity holders, recognised directly in equity											
Issue of shares under ESOP	57,109	6,998	-	-	-	-	-	-	-	-	64,107
Final dividend 2015 - Scrip	1,022,473	256,607	-	-	-	-	-	-	(1,421,200)	-	(142,120)
Final Dividend 2015 - Cash	-	-	-	-	-	-	-	-	(1,421,200)	(89,730)	(1,510,930)
Deemed disposal loss through Joint Venture	-	-	-	-	-	-	-	-	(321)	-	(321)
Total transactions with equity holders	1,079,582	263,605	-	-	-	-	-	-	(2,842,721)	(89,730)	(1,589,264)
Transfers during the period											
Fair value of the employee share options exercised	17,714	2,174	-	-	-	-	(19,888)	-	-	-	-
Transfer to life policy holder reserve fund	-	-	-	-	-	-	-	(148,274)	-	-	(148,274)
Balance as at 30th June 2016	12,207,985	2,981,963	3,760,000	1,747,817	14,263,234	31,100,000	182,468	(204,624)	11,776,050	2,430,924	80,245,817
For the 6 months ended 30th June 2015											
Balance as at 1st January 2015	10,640,391	2,649,601	3,160,000	6,806,191	8,792,778	25,100,000	318,339	40,748	10,396,517	1,734,132	69,638,697
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	-	4,301,328	254,854	4,556,182
Other Comprehensive Income for the period (net of tax)	-	-	-	(214,465)	-	-	-	-	(3,880)	(7,300)	(225,645)
Total comprehensive income for the period	-	-	-	(214,465)	-	-	-	-	4,297,448	247,554	4,330,537
Transactions with equity holders, recognised directly in equity											
Issue of shares under ESOP	282,391	38,547	-	-	-	-	-	-	-	-	320,938
Final dividend 2014 - Cash	-	-	-	-	-	-	-	-	(2,827,776)	(75,000)	(2,902,776)
Deemed disposal gain through Joint Venture	-	-	-	-	-	-	-	-	9,830	-	9,830
Total transactions with equity holders	282,391	38,547	-	-	-	-	-	-	(2,817,946)	(75,000)	(2,572,008)
Transfers during the period											
Fair value of the employee share options exercised	72,321	10,264	-	-	-	-	(82,585)	-	-	-	-
Transfer to life policy holder reserve fund	-	-	-	-	-	-	-	(41,997)	-	-	(41,997)
Balance as at 30th June 2015	10,995,103	2,698,412	3,160,000	6,591,726	8,792,778	25,100,000	235,754	(1,249)	11,876,019	1,906,686	71,355,229

STATEMENT OF CASH FLOWS

For the period ended 30th June	BANK		GROUP	
	2016 Rs 000	2015 Rs 000	2016 Rs 000	2015 Rs 000
Cash flows from operating activities				
Interest and commission receipts	36,007,057	27,642,365	39,233,455	29,635,297
Interest payments	(16,631,119)	(13,232,586)	(17,104,107)	(13,596,172)
Receipts from other operating activities	1,416,818	1,071,409	4,293,989	3,416,021
Cash payments to employees	(4,514,241)	(3,885,126)	(5,306,911)	(4,531,580)
Recovery of loans written off in previous years	9,950	9,823	9,950	9,823
Cash payments to other operating activities	(5,723,827)	(4,740,696)	(7,300,275)	(6,015,333)
Operating profit before changes in operating assets and liabilities	10,564,638	6,865,189	13,826,101	8,918,056
(Increase)/ decrease in operating assets				
Reverse repurchase agreements	(1,034,846)	16,662,880	459,739	16,362,473
Deposits held for regulatory or monetary control purpose	(7,634,777)	(1,331,999)	(7,634,777)	(1,331,999)
Loans and receivables to customers	(27,260,313)	(32,693,485)	(29,410,702)	(34,376,110)
Other short term assets	830,675	(52,206)	44,658	(248,902)
	(35,099,261)	(17,414,810)	(36,541,082)	(19,594,538)
Increase / (decrease) in operating liabilities				
Securities sold under repurchase agreements	20,902,228	33,082	20,902,228	33,082
Deposits from customers	28,575,984	42,020,019	29,863,241	43,276,858
Other liabilities	(1,265,224)	1,179,333	(1,094,132)	1,246,170
	48,212,988	43,232,434	49,671,337	44,556,110
Net cash generated from operating activities before income tax	23,678,365	32,682,813	26,956,356	33,879,628
Income taxes paid	(1,238,849)	(1,063,085)	(1,345,098)	(1,106,547)
Net cash generated from operating activities	22,439,516	31,619,728	25,611,258	32,773,081
Cash flows from investing activities				
Dividend income	463,606	567,962	124,289	52,989
Net proceeds from sale, maturity and purchase of financial investments	(35,469,742)	(44,866,789)	(37,886,980)	(45,175,332)
Purchase of property, plant and equipment	(370,885)	(218,221)	(475,946)	(333,034)
Purchase of intangible assets	(178,963)	(14,157)	(208,621)	(16,615)
Improvements to investment properties	(6,800)	-	(26,151)	-
Proceeds from deemed disposal of subsidiary company by joint venture	-	-	-	9,830
Proceeds from sale of property, plant and equipment	27,589	40,694	27,933	40,468
Net cash flows used in investing activities	(35,535,195)	(44,490,511)	(38,445,476)	(45,421,694)
Cash flows from financing activities				
Increase in subordinated term debts	7,000,000	-	6,750,000	-
Increase of term borrowings	7,319,180	13,676,322	7,315,663	13,635,722
Dividends paid	(1,355,129)	(2,689,724)	(1,444,859)	(2,764,724)
Proceeds from issue of shares under ESOP	64,107	320,938	64,107	320,938
Debenture issue expenses	(10,811)	-	(10,811)	-
Net cash generated from financing activities	13,017,347	11,307,536	12,674,100	11,191,936
Net decrease in cash and cash equivalents	(78,332)	(1,563,247)	(160,118)	(1,456,677)
Cash and cash equivalents at the beginning of the year	14,936,425	16,930,833	16,593,980	18,518,305
Cash and cash equivalents at the end of the year	14,858,093	15,367,586	16,433,862	17,061,628
Cash and Cash Equivalents at End of the Period				
Cash and Short Term Funds	14,858,093	15,367,586	16,433,862	17,061,628

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS - BANK

As at 30.06.2016	HFT	Designated at Fair Value	HTM	Amortised Cost	AFS	Hedging	Total
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
ASSETS							
Cash and cash equivalents	-	-	-	14,858,093	-	-	14,858,093
Balances with Central Bank of Sri Lanka	-	-	-	27,730,867	-	-	27,730,867
Placements with banks	-	-	-	-	-	-	-
Derivative financial instruments	602,404	-	-	-	-	-	602,404
Financial investments - Fair value through profit or loss	545,361	-	-	-	-	-	545,361
Reverse repurchase agreements	-	-	-	5,905,061	-	-	5,905,061
Loans and receivables to customers	-	-	-	525,586,153	-	-	525,586,153
Financial investments - Available-for-sale	-	-	-	-	97,149,813	-	97,149,813
Financial investments - Loans and receivables	-	-	-	97,614,103	-	-	97,614,103
Other assets	-	-	-	1,593,303	-	-	1,593,303
Total financial assets	1,147,765	-	-	673,287,580	97,149,813	-	771,585,158
	HFT	Designated at Fair Value	Amortised Cost	Hedging	Total		
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000		
LIABILITIES							
Due to banks	-	-	65,594,989	-	65,594,989		
Derivative financial instruments	1,012,553	-	-	-	1,012,553		
Due to customers	-	-	556,948,838	-	556,948,838		
Securities sold under repurchase agreements	-	-	37,668,619	-	37,668,619		
Other borrowings	-	-	27,152,308	-	27,152,308		
Debt securities issued	-	-	4,593,090	-	4,593,090		
Subordinated term debts	-	-	18,972,936	-	18,972,936		
Dividends payable	-	-	830,842	-	830,842		
Other liabilities	-	-	215,925	-	215,925		
Total financial liabilities	1,012,553	-	711,977,547	-	712,990,100		
As at 31.12.2015							
	HFT	Designated at Fair Value	HTM	Amortised Cost	AFS	Hedging	Total
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
ASSETS							
Cash and cash equivalents	-	-	-	14,909,598	-	-	14,909,598
Balances with Central Bank of Sri Lanka	-	-	-	20,096,090	-	-	20,096,090
Placements with banks	-	-	-	26,827	-	-	26,827
Derivative financial instruments	1,302,872	-	-	-	-	-	1,302,872
Financial investments - Fair value through profit or loss	593,390	-	-	-	-	-	593,390
Reverse repurchase agreements	-	-	-	4,869,219	-	-	4,869,219
Loans and receivables to customers	-	-	-	498,341,628	-	-	498,341,628
Financial investments - Available-for-sale	-	-	-	-	78,046,505	-	78,046,505
Financial investments - Loans and receivables	-	-	-	84,206,702	-	-	84,206,702
Other assets	-	-	-	1,565,169	-	-	1,565,169
Total financial assets	1,896,262	-	-	624,015,233	78,046,505	-	703,958,000
	HFT	Designated at Fair Value	Amortised Cost	Hedging	Total		
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000		
LIABILITIES							
Due to banks	-	-	58,232,034	-	58,232,034		
Derivative financial instruments	304,485	-	-	-	304,485		
Due to customers	-	-	527,126,181	-	527,126,181		
Securities sold under repurchase agreements	-	-	16,630,201	-	16,630,201		
Other borrowings	-	-	26,833,109	-	26,833,109		
Debt securities issued	-	-	4,490,742	-	4,490,742		
Subordinated term debts	-	-	12,064,370	-	12,064,370		
Dividends payable	-	-	764,771	-	764,771		
Other liabilities	-	-	278,585	-	278,585		
Total financial liabilities	304,485	-	646,419,993	-	646,724,478		
Held for trading - HFT	Designated at fair value through profit or loss - Designated at fair value		Loans and receivables/deposits at amortised cost - Amortised cost				
Held-to-maturity - HTM	Available-for-sale - AFS		Instruments of fair value and cash flow hedging - Hedging				

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS - GROUP

As at 30.06.2016	HFT	Designated at Fair Value	HTM	Amortised Cost	AFS	Hedging	Total
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
ASSETS							
Cash and cash equivalents	-	-	-	15,369,029	-	-	15,369,029
Balances with Central Bank of Sri Lanka	-	-	-	27,730,867	-	-	27,730,867
Placements with banks	-	-	-	1,064,833	-	-	1,064,833
Derivative financial instruments	602,404	-	-	-	-	-	602,404
Other financial assets held for trading	737,093	-	-	-	-	-	737,093
Reverse repurchase agreements	-	-	-	7,286,678	-	-	7,286,678
Loans and receivables to customers	-	-	-	536,556,212	-	-	536,556,212
Financial investments - Available-for-sale	-	-	-	-	102,803,185	-	102,803,185
Financial investments - Held to maturity	-	-	1,230,360	-	-	-	1,230,360
Financial investments - Loans and receivables	-	-	-	99,731,291	-	-	99,731,291
Other assets	-	-	-	2,569,438	-	-	2,569,438
Total financial assets	1,339,497	-	1,230,360	690,308,348	102,803,185	-	795,681,390
	HFT	Designated at Fair Value	Amortised Cost	Hedging	Total		
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000		
LIABILITIES							
Due to banks	-	-	65,643,277	-	65,643,277		
Derivative financial instruments	1,012,553	-	-	-	1,012,553		
Due to customers	-	-	567,303,595	-	567,303,595		
Securities sold under repurchase agreements	-	-	37,668,619	-	37,668,619		
Other borrowings	-	-	27,152,308	-	27,152,308		
Debt securities issued	-	-	5,033,082	-	5,033,082		
Subordinated term debts	-	-	18,741,302	-	18,741,302		
Dividends payable	-	-	830,842	-	830,842		
Other liabilities	-	-	1,015,825	-	1,015,825		
Total financial liabilities	1,012,553	-	723,388,850	-	724,401,403		
	HFT	Designated at Fair Value	HTM	Amortised Cost	AFS	Hedging	Total
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
ASSETS							
Cash and cash equivalents	-	-	-	15,419,654	-	-	15,419,654
Balances with Central Bank of Sri Lanka	-	-	-	20,096,090	-	-	20,096,090
Placements with banks	-	-	-	1,174,326	-	-	1,174,326
Derivative financial instruments	1,302,872	-	-	-	-	-	1,302,872
Other financial assets held for trading	1,948,772	-	-	-	-	-	1,948,772
Reverse repurchase agreements	-	-	-	7,782,374	-	-	7,782,374
Loans and receivables to customers	-	-	-	507,244,329	-	-	507,244,329
Financial investments - Available-for-sale	-	-	-	-	79,718,231	-	79,718,231
Financial investments - Held to maturity	-	-	1,257,433	-	-	-	1,257,433
Financial investments - Loans and receivables	-	-	-	87,087,205	-	-	87,087,205
Other assets	-	-	-	1,703,598	-	-	1,703,598
Total financial assets	3,251,644	-	1,257,433	640,507,576	79,718,231	-	724,734,884
	HFT	Designated at Fair Value	Amortised Cost	Hedging	Total		
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000		
LIABILITIES							
Due to banks	-	-	58,283,838	-	58,283,838		
Derivative financial instruments	304,485	-	-	-	304,485		
Due to customers	-	-	536,132,789	-	536,132,789		
Securities sold under repurchase agreements	-	-	16,630,201	-	16,630,201		
Other borrowings	-	-	26,833,109	-	26,833,109		
Debt securities issued	-	-	4,913,751	-	4,913,751		
Subordinated term debts	-	-	12,085,598	-	12,085,598		
Dividends payable	-	-	764,771	-	764,771		
Other liabilities	-	-	715,537	-	715,537		
Total financial liabilities	304,485	-	656,359,594	-	656,664,079		
Held for trading - HFT	Designated at fair value through profit or loss - Designated at fair value			Loans and receivables/deposits at amortised cost - Amortised cost			
Held-to-maturity - HTM	Available-for-sale - AFS			Instruments of fair value and cash flow hedging - Hedging			

SEGMENT REPORTING

For the 6 months ended 30th June	Banking		Leasing/Hire purchase		Property		Insurance		Others*		Eliminations / Unallocated		Consolidated	
	2016 Rs 000	2015 Rs 000	2016 Rs 000	2015 Rs 000	2016 Rs 000	2015 Rs 000	2016 Rs 000	2015 Rs 000	2016 Rs 000	2015 Rs 000	2016 Rs 000	2015 Rs 000	2016 Rs 000	2015 Rs 000
Total revenue from external customers	35,285,892	27,055,253	2,345,191	1,807,802	102,014	94,891	3,156,181	2,712,718	2,551,148	1,803,465	(347,718)	(549,269)	43,092,708	32,924,860
Inter segment revenue	45,340	40,990	-	-	361,966	365,320	64,194	30,553	-	-	(471,500)	(436,863)	-	-
Total revenue	35,331,232	27,096,243	2,345,191	1,807,802	463,980	460,211	3,220,375	2,743,271	2,551,148	1,803,465	(819,218)	(986,132)	43,092,708	32,924,860
Segment result	7,935,074	5,954,858	1,676,969	614,950	339,617	365,034	89,707	100,336	913,881	591,053	(373,207)	(545,074)	10,582,041	7,081,157
Unallocated expenses													(657,972)	(633,163)
Profit from operations													9,924,069	6,447,994
Share of profits of Joint Venture (net of tax)													84,763	36,483
Taxes													(3,004,188)	(1,928,295)
Profit for the period													7,004,644	4,556,182
Non - controlling Interests													(339,643)	(254,854)
Profit attributable to the Equity holders of the Bank													6,665,001	4,301,328
Profit for the period													7,004,644	4,556,182
Other comprehensive Income, net of tax	(2,726,175)	(197,506)	-	-	-	-	(9,146)	(4,942)	9,304	(9,203)	(38,962)	(13,994)	(2,764,979)	(225,645)
Total Comprehensive income for the period													4,239,665	4,330,537
Non - controlling Interests													(341,366)	(247,554)
Total comprehensive income attributable to the Equity holders of the Bank													3,898,299	4,082,983
Total assets	752,841,602	603,781,996	40,281,899	31,452,780	10,219,455	7,403,026	13,204,241	10,775,330	15,862,155	11,186,586	(3,495,836)	(3,299,980)	828,913,516	661,299,738
Total liabilities	685,607,148	541,275,755	40,281,899	31,452,780	588,582	554,262	11,141,499	8,516,313	13,245,243	9,684,203	(2,196,672)	(1,538,804)	748,667,699	589,944,509
Cash flows from operating activities	24,446,978	41,160,557	(2,007,461)	(9,540,829)	308,443	300,906	472,213	491,170	(61,889)	203,266	2,452,974	361,277	25,611,258	32,773,081
Cash flows from Investing activities	(35,535,195)	(44,490,511)	-	-	(287,323)	4,791	(424,055)	(140,405)	264,757	248,670	(2,463,660)	(795,569)	(38,445,476)	(45,421,694)
Cash flows from financing activities	13,017,344	11,307,536	-	-	-	(432,600)	(100,000)	(187,500)	(115,897)	90,334	(127,347)	504,500	12,674,100	11,191,936

* Business of HNB Grameen Finance Ltd.

EXPLANATORY NOTES

1. There are no changes in accounting policies and methods of computation since the publication of annual accounts for the year 2015.
2. There are no material changes during the period in the composition of assets, liabilities, contingent liabilities and use of funds raised through debentures. All known expenditure items have been provided for.
3. These interim financial statements are presented in accordance with Sri Lanka Accounting Standard (LKAS 34) "Interim Financial Reporting" and provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange.
4. Where required, figures on the audited annual financial statements have been reclassified to conform to Central Bank of Sri Lanka publication requirements.
5. Details of Employee Share Option Plan (ESOP)

	2012 Allocation*		2013 Allocation**	
	Voting	Non-voting	Voting	Non-voting
No of options brought forward	1,120,852	195,408	1,578,045	365,409
No of options granted in 2016	-	-	-	-
No of options exercised during the period	(223,824)	(21,015)	(172,170)	(48,044)
No of options expired during the period	(20,416)	(3,821)	(33,156)	(4,154)
No of options remaining	876,612	170,572	1,372,719	313,211
Allotment price (Rs)	145.79	81.43	142.17	110.04
Average market price for the period ended 30th June 2016 (Rs)	203.52	174.08	203.52	174.08

*These options were allocated on 30th March 2012 and the retention period ended on 30th March 2013.

**These options were allocated on 5th June 2013 and the retention period ended on 4th June 2014.

The outstanding options can be exercised within four years from the end of retention period or at retirement, resignation or death, whichever occurs first.

6. The consolidated financial statements of the Bank cover the Bank and its subsidiaries HNB Assurance PLC, Sithma Development (Pvt) Ltd, HNB Grameen Finance Ltd & the Group's interest in Joint Venture Acuity Partners (Pvt) Ltd.
7. Additional information requested by the Bank Supervision Division of Central Bank of Sri Lanka by their circular dated 11th October 2013, has been given in the note to the financial statements.
8. On 16th March 2016, the Bank opened the issuance of 40,000,000 unsecured subordinated redeemable debentures to the public at an issue price of Rs. 100/-with the option to issue further 20,000,000 debentures and with a further option to issue 10,000,000 unsecured subordinated redeemable debentures in the event each tranche is oversubscribed. The total issue of 70,000,000 subordinated redeemable debentures was oversubscribed and accordingly, the Bank allotted Rs 7 Bn debentures with interest payable annually at a rate of 11.25% p.a.
9. There are no material events that took place after the balance sheet date which require adjustment or disclosure in the financial statements

SELECTED PERFORMANCE INDICATORS (AS PER REGULATORY REPORTING)

	As at		As at	
	30.06.2016	31.12.2015	30.06.2016	31.12.2015
	Bank		Group	
Regulatory Capital Adequacy				
Core capital (Tier 1 Capital) Rs. Mn	52,235	52,459	57,911	58,138
Total Capital Base. Rs. Mn	69,353	63,250	75,421	69,299
Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 5%)	9.77%	10.53%	10.19%	10.99%
Total Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 10%)	12.97%	12.70%	13.27%	13.10%

	30.06.2016	31.12.2015
		Bank
Assets Quality (Quality of Loan Portfolio)		
Gross Non-Performing Advances Ratio, % (net of Interest in Suspense)	2.25%	2.43%
Net Non-Performing Advances Ratio, % (net of Interest in Suspense and provisions)	0.80%	0.85%
Profitability (Annualised)		
Interest Margin, %	4.18%	4.10%
Return on Assets (before Tax), %	2.40%	2.34%
Return on Equity, %	19.66%	16.77%
Regulatory Liquidity		
Statutory Liquid Assets, Rs. Mn		
Domestic Banking Unit	137,931	136,406
Off-Shore Banking Unit	18,606	16,827
Statutory Liquid Assets Ratio % (Minimum requirement 20%)		
Domestic Banking Unit	22.23%	23.89%
Off-Shore Banking Unit	28.71%	35.07%

LISTED DEBENTURE INFORMATION

Quarter ended 30th June	Market Value				Quarter ended 30th June	Yield as at Last Trade Done	
	2016		2015			2016	2015
	Highest Rs.	Lowest Rs.	Highest Rs.	Lowest Rs.			
HNB DEBENTURES 2006					HNB DEBENTURES 2006		
15 year Fixed Rate (11.00% p.a.)	N/T	N/T	N/T	N/T	15 year Fixed Rate (11.00% p.a.)	N/T	N/T
18 year Fixed Rate (11.25% p.a.)	N/T	N/T	N/T	N/T	18 year Fixed Rate (11.25% p.a.)	N/T	N/T
HNB DEBENTURES 2007					HNB DEBENTURES 2007		
10 year Fixed Rate (16.00% p.a.)	N/T	N/T	N/T	N/T	10 year Fixed Rate (16.00% p.a.)	N/T	N/T
15 year Fixed Rate (16.75% p.a.)	N/T	N/T	N/T	N/T	15 year Fixed Rate (16.75% p.a.)	N/T	N/T
HNB DEBENTURES 2011					HNB DEBENTURES 2011		
10 year Fixed Rate (11.50% p.a.)	N/T	N/T	N/T	N/T	10 year Fixed Rate (11.50% p.a.)	N/T	N/T
HNB DEBENTURES 2013					HNB DEBENTURES 2013		
5 year Fixed Rate (14.00% p.a.)	N/T	N/T	N/T	N/T	5 year Fixed Rate (14.00% p.a.)	N/T	N/T
10 year Fixed Rate (14.25% p.a.)	N/T	N/T	N/T	N/T	10 year Fixed Rate (14.25% p.a.)	N/T	N/T
HNB DEBENTURES 2014					HNB DEBENTURES 2014		
3 year Fixed Rate (7.00% p.a.)	N/T	N/T	N/T	N/T	3 year Fixed Rate (7.00% p.a.)	N/T	N/T
5 year Fixed Rate (7.90% p.a.)	N/T	N/T	N/T	N/T	5 year Fixed Rate (7.90% p.a.)	N/T	N/T
10 year Fixed Rate (8.50% p.a.)	N/T	N/T	N/T	N/T	10 year Fixed Rate (8.50% p.a.)	N/T	N/T
HNB DEBENTURES 2016					HNB DEBENTURES 2016		
5 year Fixed Rate (11.25% p.a.)	N/T	N/T	N/A	N/A	5 year Fixed Rate (11.25% p.a.)	N/T	N/A

N/T – Not Traded as at 30th June, N/A – Not Applicable as at 30th June

Yield to Maturity of Last Trade Done (% p.a.)

Quarter ended 30th June	2016	2015
HNB DEBENTURES 2006		
15 year Fixed Rate (11.00% p.a.)	N/T	N/T
18 year Fixed Rate (11.25% p.a.)	N/T	N/T
HNB DEBENTURES 2007		
10 year Fixed Rate (16.00% p.a.)	N/T	N/T
15 year Fixed Rate (16.75% p.a.)	N/T	N/T
HNB DEBENTURES 2011		
10 year Fixed Rate (11.50% p.a.)	N/T	N/T
HNB DEBENTURES 2013		
5 year Fixed Rate (14.00% p.a.)	N/T	N/T
10 year Fixed Rate (14.25% p.a.)	N/T	N/T
HNB DEBENTURES 2014		
3 year Fixed Rate (7.00% p.a.)	N/T	N/T
5 year Fixed Rate (7.90% p.a.)	N/T	N/T
10 year Fixed Rate (8.50% p.a.)	N/T	N/T
HNB DEBENTURES 2016		
5 year Fixed Rate (11.25% p.a.)	N/T	N/A

N/T – Not Traded as at 30th June, N/A – Not Applicable as at 30th June

RATIOS OF DEBT

	30.06.2016	31.12.2015
Debt Equity Ratio (%)	106.82	100.63
Interest Cover (Times)	5.04	5.39
Yield of Comparable Govt. Security for the following HNB Debentures (% p.a.)		
	30.06.2016	30.06.2015
2006 series 15 year maturity	13.10	9.73
2006 series 18 year maturity	13.80	10.13
2007 series 10 year maturity	11.58	7.96
2007 series 15 year maturity	13.34	9.92
2011 series 10 year maturity	13.13	8.81
2013 series 5 year maturity	11.02	9.49
2013 series 10 year maturity	12.14	10.04
2014 series 3 year maturity	10.42	7.96
2014 series 5 year maturity	11.49	9.01
2014 series 10 year maturity	12.19	10.26
2016 series 5 year maturity	11.79	N/A

SHARE INFORMATION

As at	30-Jun-16	31-Dec-15
Number of Shares		
Voting	330,063,783	324,405,445
Non-voting	82,902,701	81,415,925
Last Traded Price per Share		
Voting (Rs.)	212.00	210.00
Non-voting (Rs.)	172.50	177.90

For the Quarter Ended	30-Jun-16	30-Jun-15
Highest Price per Share		
Voting (Rs.)	216.60	239.50
Non-voting (Rs.)	180.00	182.50
Lowest Price per Share		
Voting (Rs.)	197.00	213.50
Non-voting (Rs.)	169.00	164.60

PUBLIC SHARE HOLDING PERCENTAGE

As at	30-Jun-16
Voting	61 % approx.
Non-voting	99 % approx.

NUMBER OF PUBLIC SHAREHOLDERS

As at	30-Jun-16
Voting	4,622
Non-voting	10,527

DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S SHARE HOLDING

	Number of shares	
	30-Jun-16	31-Dec-15
1. Mr.Rienzie Arseculeratne	-	-
2. Mr.A.J.Alles *	2,033	2,000
3. Ms.M.A.R.C.Coaray	5,404	5,312
4. Dr.L.R.Karunaratne	1,034	1,018
5. Mr.L.U.D.Fernando	517	509
6. Mr.D.T.S.H.Mudalige	-	-
7. Miss.D.S.C.Jayawardena	508	500
8. Mr.R.S.Captain	6,104	6,007
9. Mr.D.A.Cabraal	-	-
10. Mr.P.S.C.Pelpola	-	-
11. Mr.E.D.P.Soosaipillai	-	-
12. Mr.A.H.D.A.N.De Silva	100	-

* Chief Executive Officer

20 MAJOR SHAREHOLDERS (VOTING) AS AT 30TH JUNE 2016

	Name	No. of shares	% on Voting capital
1.	Employees Provident Fund	32,352,748	9.80
2.	Sri Lanka Insurance Corporation Ltd - Life Fund	32,014,697	9.70
3.	Milford Exports (Ceylon) Limited	26,247,009	*7.95
4.	Mr.Sohli Edelji Captain	24,089,530	7.30
5.	Stassen Exports Ltd	22,750,036	*6.89
6.	Sri Lanka Insurance Corporation Ltd - General Fund	16,393,058	4.97
7.	Sonetto Holdings Limited	14,936,204	4.53
8.	HSBC Int'l Nominees Ltd-JPMLU-Franklin Templeton Investment	11,084,554	3.36
9.	Distilleries Company of Sri Lanka PLC	10,178,656	*3.08
10.	National Savings Bank	9,523,878	2.89
11.	Standard Chartered Bank Singapore S/A HL Bank Singapore	6,524,272	1.98
12.	The Bank of New York Mellon SA/NV-CF Ruffer Total return Fund	5,221,591	1.58
13.	Citi Group Global Markets Ltd Agency Trading Prop. Sec.	4,142,064	1.25
14.	The Bank of New York Mellon SA/NV-CF Ruffer Absolute Return	3,504,886	1.06
15.	Citibank Newyork S/A Norges Bank Account 2	3,169,774	0.96
16.	HSBC INTL Nom Ltd-JPMCB-Templeton Global Investment Trust- Te	3,077,480	0.93
17.	Ms. Leesha Anne Captain	2,916,548	0.88
18.	Mrs. Cheryl Susan De Fonseka	2,763,993	0.84
19.	BNY-CF Ruffer Investment Funds : CF Ruffer Pacific Fund	2,671,131	0.81
20.	HSBC INTL Nom Ltd-UBS AG Zurich	2,623,449	0.79

**Pursuant to the provisions of the Banking Act Directions No. 1 of 2007, the total collective voting rights in the Bank, of Milford Exports (Ceylon) Limited, Stassen Exports Limited and Distilleries Company of Sri Lanka (who collectively hold 17.92% of the voting shares of the Bank) are limited to 10% of the total voting rights of the Bank with effect from 15th March 2012 as the voting rights in excess of such percentage is deemed invalid from that date.

20 MAJOR SHAREHOLDERS (NON-VOTING) AS AT 30TH JUNE 2016

	Name	No. of shares	% on Non-voting capital
1.	HSBC Int'l Nom Ltd-UBS AG Zurich	7,207,014	8.69
2.	HSBC Intl nominees Ltd-JPMLU-Franklin Templeton Invest	5,778,350	6.97
3.	BNYM SA/NV-Frontaura Global Frontier Fund LLC	4,626,852	5.58
4.	Citibank Newyork S/A Norges Bank Account 2	4,348,150	5.24
5.	The Bank of New York Mellon SA/NV-CF Ruffer Total Return Fund	2,601,605	3.14
6.	BNYM SA/NV-Neon Liberty Lorikeet Master Fund LP	2,535,385	3.06
7.	Akbar Brothers Pvt Ltd A/c No.01	2,071,089	2.50
8.	The Bank of New York Mellon SA/NV-CF Ruffer Absolute Return	1,733,008	2.09
9.	Mr.Sohli Edelji Captain	1,467,949	1.77
10.	Rubber Investment Trust Limited A/c # 01	1,184,341	1.43
11.	CITI Bank NY S/A Forward International Dividend Fund	1,162,835	1.40
12.	Northern Trust Company S/A Polar Capital Funds PLC	1,072,210	1.29
13.	Union Assurance PLC No. 1 A/c	1,066,012	1.29
14.	BNY-CF Ruffer Investment Funds:CF Ruffer Pacific Fund	1,028,711	1.24
15.	Mr. Jayampathi Divale Bandaranayake	1,002,077	1.21
16.	Employee Trust Fund Board	909,800	1.10
17.	The Ceylon Guardian Investment Trust PLC A/c #02	750,857	0.91
18.	Deutsche Bank AG as Trustee for JB Vantage Value Equity Fund	749,353	0.90
19.	The Ceylon Investment PLC A/c # 02	614,227	0.74
20.	Hatton National Bank PLC A/c No.2	584,735	0.71

NOTES TO THE FINANCIAL STATEMENTS

As at	BANK		GROUP	
	30.06.2016 Rs 000	31.12.2015 Rs 000	30.06.2016 Rs 000	31.12.2015 Rs 000
1) Loans and Receivables to Customers				
Gross loans and receivables	536,900,405	509,525,467	548,062,543	518,586,177
Less : Individual impairment	(3,314,481)	(3,345,714)	(3,453,247)	(3,450,410)
Collective impairment	(7,999,771)	(7,838,125)	(8,053,084)	(7,891,438)
Net loans and receivables	525,586,153	498,341,628	536,556,212	507,244,329
2) Loans and Receivables to Customers - By product				
By product-Domestic Currency				
Overdrafts	78,482,288	71,116,853	78,482,288	71,116,853
Bills of exchange	986,266	1,042,923	986,266	1,042,923
Commercial papers	168,457	161,270	168,457	161,270
Short term loans	47,229,242	49,986,757	47,332,047	50,078,749
Credit Cards	5,009,930	4,548,110	5,009,930	4,548,110
Trust receipts	22,008,907	21,956,493	22,008,907	21,956,493
Packing credit loans	316,413	698,384	316,413	698,384
Staff loans	10,998,215	10,875,391	11,722,464	11,339,787
Term loans	221,479,365	199,275,891	231,509,246	207,777,654
Lease rentals receivable	41,178,542	40,287,937	41,483,745	40,290,496
Housing loans	31,811,486	29,633,094	31,811,486	29,633,094
Pawning advances	13,530,900	16,439,602	13,530,900	16,439,602
Securitised notes	289,512	371,682	289,512	371,682
Sub total	473,489,523	446,394,387	484,651,661	455,455,097
By product-Foreign Currency				
Overdrafts	522,992	449,581	522,992	449,581
Bills of exchange	1,521,472	2,072,263	1,521,472	2,072,263
Short term loans	3,054,509	895,123	3,054,509	895,123
Trust receipts	1,130,778	1,713,228	1,130,778	1,713,228
Packing credit loans	8,350,470	8,718,595	8,350,470	8,718,595
Term loans	47,494,185	48,053,396	47,494,185	48,053,396
Lease rentals receivable	94,557	53,659	94,557	53,659
Housing loans	1,241,919	1,175,235	1,241,919	1,175,235
Sub total	63,410,882	63,131,080	63,410,882	63,131,080
Total	536,900,405	509,525,467	548,062,543	518,586,177
	2016	2015	2016	2015
	Rs 000	Rs 000	Rs 000	Rs 000
3) Movements in Individual and Collective Impairment during the period for Loans and Receivables to Customers				
Individual impairment				
Opening balance at 01st January	3,345,714	2,645,389	3,450,410	3,333,404
Increase in individual impairment allowance from acquisition of subsidiary	-	-	-	-
Charge/(Write back) to income statement	(31,233)	364,915	30,442	386,700
Amounts written off	-	-	(27,605)	(531,721)
Closing balance as at 30th June	3,314,481	3,010,304	3,453,247	3,188,383
Collective impairment				
Opening balance at 01st January	7,838,125	8,008,889	7,891,438	8,030,362
Increase in individual impairment allowance from acquisition of subsidiary	-	-	-	-
Charge/(Write back) to income statement	162,423	1,040,991	162,423	1,052,809
Amounts written off	(777)	(25,518)	(777)	(25,518)
Closing balance as at 30th June	7,999,771	9,024,362	8,053,084	9,057,653
Total impairment	11,314,252	12,034,666	11,506,331	12,246,036
	31.03.2016	31.12.2015	31.12.2015	31.12.2014
	Rs 000	Rs 000	Rs 000	Rs 000
4) Due to Customers - By product				
By product-Domestic Currency				
Current account deposits	32,272,570	31,932,262	32,011,252	31,649,897
Savings deposits	156,549,992	157,972,669	158,208,246	159,382,475
Time deposits	275,297,228	245,363,599	284,308,146	253,330,243
Certificates of deposit	1,026,627	1,092,263	1,026,627	1,092,263
Margin deposits	1,619,930	1,892,467	1,619,930	1,892,467
Sub total	466,766,347	438,253,260	477,174,201	447,347,345
By product- Foreign Currency				
Current account deposits	1,472,638	2,026,434	1,472,638	2,026,434
Savings deposits	25,993,608	26,232,225	25,982,321	26,225,880
Time deposits	62,695,794	60,581,727	62,653,984	60,500,595
Margin deposits	20,451	32,535	20,451	32,535
Sub total	90,182,491	88,872,921	90,129,394	88,785,444
Total	556,948,838	527,126,181	567,303,595	536,132,789