



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

**Interim Financial Statements
for the Nine Months ended 30th September 2015**

INCOME STATEMENT

	BANK						GROUP					
	For the 9 months ended 30th September			For the quarter ended 30th September			For the 9 months ended 30th September			For the quarter ended 30th September		
	2015 Rs 000	2014 Rs 000	% Increase/ (Decrease)	2015 Rs 000	2014 Rs 000	% Increase/ (Decrease)	2015 Rs 000	2014 Rs 000	% Increase/ (Decrease)	2015 Rs 000	2014 Rs 000	% Increase/ (Decrease)
Income	44,226,174	45,011,564	(2)	15,322,129	14,103,283	9	50,818,728	48,626,286	5	17,879,328	15,469,984	16
Interest income	38,138,715	39,359,282	(3)	13,197,754	12,480,652	6	41,264,320	39,888,760	3	14,379,392	12,668,771	14
Less: Interest expenses	18,769,731	21,018,950	(11)	6,671,944	6,509,239	2	19,441,541	20,997,950	(7)	6,929,326	6,503,577	7
Net interest income	19,368,984	18,340,332	6	6,525,810	5,971,413	9	21,822,779	18,890,810	16	7,450,066	6,165,194	21
Fee and commission income	4,220,602	3,672,647	15	1,501,510	1,249,436	20	4,603,524	3,770,657	22	1,641,123	1,276,318	29
Less: Fee and commission expenses	69,223	70,182	(1)	18,612	29,232	(36)	580,506	438,375	32	187,752	154,573	21
Net fee and commission income	4,151,379	3,602,465	15	1,482,898	1,220,204	22	4,023,018	3,332,282	21	1,453,371	1,121,745	30
Net interest, fee and commission income	23,520,363	21,942,797	7	8,008,708	7,191,617	11	25,845,797	22,223,092	16	8,903,437	7,286,939	22
Net gain/(loss) from trading	791,011	(680,011)	216	1,322,292	(411,080)	422	805,453	(571,866)	241	1,322,836	(347,624)	481
Net gain/(loss) from financial instruments designated at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	-	-
Net gain/(loss) from financial investments	217,027	1,093,015	(80)	16,791	18,895	(11)	250,541	1,110,664	(77)	25,666	32,340	(21)
Other operating income (net)	858,819	1,566,632	(45)	(716,218)	765,380	(194)	3,894,890	4,428,071	(12)	510,311	1,840,179	(72)
Total Operating income	25,387,220	23,922,433	6	8,631,573	7,564,812	14	30,796,681	27,189,961	13	10,762,250	8,811,834	22
Impairment for loans and other losses												
Individual Impairment	400,612	122,701	226	35,697	86,296	(59)	437,191	122,701	256	50,491	86,296	(41)
Collective Impairment	1,282,187	2,265,542	(43)	241,196	(320,937)	175	1,306,132	2,265,542	(42)	253,324	(320,937)	179
Others	33,997	176,045	(81)	20,048	106,602	(81)	33,997	176,045	(81)	20,048	106,602	(81)
Net operating income	23,670,424	21,358,145	11	8,334,632	7,692,851	8	29,019,361	24,625,673	18	10,438,387	8,939,873	17
Operating expenses												
Personnel expenses	6,265,871	5,512,582	14	2,205,855	1,825,614	21	7,196,572	5,942,923	21	2,521,660	1,978,091	27
Depreciation and amortisation	732,473	862,144	(15)	240,235	281,816	(15)	938,924	1,006,507	(7)	305,761	330,303	(7)
Other expenses	5,302,997	5,075,190	4	1,797,659	1,658,641	8	8,600,624	7,335,374	17	3,085,797	2,563,170	20
Total Operating expenses	12,301,341	11,449,916	7	4,243,749	3,766,071	13	16,736,120	14,284,804	17	5,913,218	4,871,564	21
Operating profit before value added tax (VAT) and Nation Building Tax (NBT) on financial services	11,369,083	9,908,229	15	4,090,883	3,926,780	4	12,283,241	10,340,869	19	4,525,169	4,068,309	11
Value added tax (VAT) and nation building tax (NBT) on financial services	1,865,515	1,740,488	7	664,885	704,275	(6)	2,052,483	1,740,488	18	742,405	704,275	5
Operating profit after value added tax (VAT) and Nation Building Tax (NBT) on financial services	9,503,568	8,167,741	16	3,425,998	3,222,505	6	10,230,758	8,600,381	19	3,782,764	3,364,034	12
Share of profits of Associate and Joint Venture (net of income tax) (net of income tax)	-	-	-	-	-	-	58,732	138,812	(58)	22,249	107,135	(79)
Profit before income tax	9,503,568	8,167,741	16	3,425,998	3,222,505	6	10,289,490	8,739,193	18	3,805,013	3,471,169	10
Income tax expense	2,674,087	2,479,197	8	908,439	917,099	(1)	3,004,761	2,508,915	20	1,076,466	933,370	15
Profit for the period	6,829,481	5,688,544	20	2,517,559	2,305,406	9	7,284,729	6,230,278	17	2,728,547	2,537,799	8
Profit attributable to:												
Equity holders of the Bank	6,829,481	5,688,544	20	2,517,559	2,305,406	9	6,982,036	6,166,768	13	2,680,708	2,519,497	6
Non-controlling interests	-	-	-	-	-	-	302,693	63,510	377	47,839	18,302	161
Profit for the period	6,829,481	5,688,544	20	2,517,559	2,305,406	9	7,284,729	6,230,278	17	2,728,547	2,537,799	8
Earnings per share on profit												
Basic earnings per ordinary share (Rs)	16.90	14.21	19	6.21	5.75	8	17.28	15.40	12	6.62	6.28	5
Diluted earnings per ordinary share (Rs)	16.82	14.15	19	6.19	5.72	8	17.20	15.34	12	6.59	6.25	5

STATEMENT OF OTHER COMPREHENSIVE INCOME

	BANK						GROUP					
	For the 9 months ended 30th			For the quarter ended 30th			For the 9 months ended 30th			For the quarter ended 30th		
	September			September			September			September		
	2015 Rs 000	2014 Rs 000	% Increase/ (Decrease)	2015 Rs 000	2014 Rs 000	% Increase/ (Decrease)	2015 Rs 000	2014 Rs 000	% Increase/ (Decrease)	2015 Rs 000	2014 Rs 000	% Increase/ (Decrease)
Profit for the period	6,829,481	5,688,544	20	2,517,559	2,305,406	9	7,284,729	6,230,278	17	2,728,547	2,537,799	8
Other comprehensive income, net of tax												
Other comprehensive income to be reclassified to income statement												
Available-for-sale financial assets:												
Net change in fair value during the period	(1,641,879)	2,729,706	(160)	(1,444,373)	1,886,681	(177)	(1,742,440)	2,856,937	(161)	(1,497,995)	1,990,998	(175)
Transfer to life policy holder reserve fund	-	-	-	-	-	-	91,591	(126,478)	172	49,594	(102,956)	148
Net amount transferred to profit or loss (available-for-sale financial assets)	-	(645,437)	-	-	-	-	-	(645,437)	-	-	-	-
Share of other comprehensive income of equity accounted joint venture	-	-	-	-	-	-	(15,395)	1,832	(940)	(1,401)	6,721	(121)
Total other comprehensive income to be reclassified to income statement	(1,641,879)	2,084,269	(179)	(1,444,373)	1,886,681	(177)	(1,666,244)	2,086,854	(180)	(1,449,802)	1,894,763	(177)
Other comprehensive income not to be reclassified to income statement												
Actuarial gains and losses on defined benefit plans	-	-	-	-	-	-	(9,203)	-	-	-	-	-
Total other comprehensive income not to be reclassified to income statement	-	-	-	-	-	-	(9,203)	-	-	-	-	-
Other comprehensive income for the period, net of tax	(1,641,879)	2,084,269	(179)	(1,444,373)	1,886,681	(177)	(1,675,447)	2,086,854	(180)	(1,449,802)	1,894,763	(177)
Total comprehensive income for the period	5,187,602	7,772,813	(33)	1,073,186	4,192,087	(74)	5,609,282	8,317,132	(33)	1,278,745	4,432,562	(71)
Total comprehensive income attributable to:												
Equity holders of the Bank	5,187,602	7,772,813	(33)	1,073,186	4,192,087	(74)	5,315,500	8,253,320	(36)	1,232,520	4,413,714	(72)
Non-controlling interests	-	-	-	-	-	-	293,782	63,812	360	46,225	18,848	145
Total comprehensive income for the period	5,187,602	7,772,813	(33)	1,073,186	4,192,087	(74)	5,609,282	8,317,132	(33)	1,278,745	4,432,562	(71)

STATEMENT OF FINANCIAL POSITION

	BANK		% Increase / (Decrease)	GROUP		
	As at 30.09.2015 Rs 000	As at 31.12.2014 (Audited) Rs 000		As at 30.09.2015 Rs 000	As at 31.12.2014 (Audited) Rs 000	% Increase / (Decrease)
ASSETS						
Cash and cash equivalents	15,831,871	13,141,295	20	16,190,647	13,421,850	21
Balances with Central Bank of Sri Lanka	19,447,162	16,907,538	15	19,447,162	16,907,538	15
Placements with banks	25,229	3,789,538	(99)	1,147,520	5,096,455	(77)
Securities purchased under re-sale agreements	5,721,118	16,930,572	(66)	9,570,350	19,575,253	(51)
Derivative financial instruments	1,557,719	178,370	773	1,557,719	178,370	773
Other financial assets held-for-trading	602,052	551,371	9	1,271,997	1,052,727	21
Non - current assets held for sale	-	30,238	-	-	30,238	-
Loans and receivables to customers	461,588,843	395,480,136	17	469,731,843	401,062,725	17
Financial investments - Available-for-sale	79,328,909	67,842,229	17	80,965,829	69,443,056	17
Financial investments - Held-to-maturity	-	-	-	612,679	955,421	(36)
Financial investments - Loans and receivables	68,055,997	36,166,064	88	70,729,877	38,846,129	82
Investments in Joint Venture	655,000	655,000	-	1,243,865	1,196,544	4
Investments in Subsidiaries	3,017,285	3,017,285	-	-	-	-
Investment properties	387,987	392,088	(1)	1,043,027	1,042,389	-
Property, plant and equipment	9,096,060	9,304,665	(2)	18,030,187	18,290,354	(1)
Intangible assets and goodwill	666,162	802,728	(17)	947,229	1,089,760	(13)
Deferred tax assets	276,216	287,384	(4)	128,747	199,311	(35)
Other assets	10,793,619	10,940,270	(1)	11,745,932	11,668,067	1
Total Assets	677,051,229	576,416,771	17	704,364,610	600,056,187	17
LIABILITIES						
Due to banks	65,345,314	43,428,762	50	65,402,547	43,504,729	50
Derivative financial instruments	414,868	630,598	(34)	414,868	630,598	(34)
Securities sold under repurchase agreements	11,430,485	16,983,545	(33)	11,226,451	16,983,545	(34)
Due to other customers	496,808,090	419,327,123	18	505,024,342	425,620,382	19
Dividends payable	718,511	587,078	22	718,511	587,078	22
Other borrowings	5,191,935	4,345,285	19	5,191,935	4,345,285	19
Debt securities issued	4,499,912	4,451,407	1	4,917,530	4,842,627	2
Current tax liabilities	3,855,893	3,297,530	17	4,043,421	3,394,992	19
Insurance provision -Life	-	-	-	6,804,363	5,562,649	22
Insurance provision -General	-	-	-	1,542,849	1,279,139	21
Other provisions	2,578,925	1,810,892	42	2,863,289	2,123,089	35
Other liabilities	10,683,765	9,002,129	19	11,662,360	9,866,330	18
Subordinated term debts	11,885,294	11,653,759	2	11,908,954	11,677,046	2
Total Liabilities	613,412,992	515,518,108	19	631,721,420	530,417,489	19

STATEMENT OF FINANCIAL POSITION						
	BANK			GROUP		
	As at 30.09.2015	As at 31.12.2014 (Audited)	% Increase / (Decrease)	As at 30.09.2015	As at 31.12.2014 (Audited)	% Increase / (Decrease)
	Rs 000	Rs 000		Rs 000	Rs 000	
EQUITY						
Stated capital	13,772,240	13,289,992	4	13,772,240	13,289,992	4
Statutory reserves	3,160,000	3,160,000	-	3,160,000	3,160,000	-
Retained earnings	11,832,308	7,808,059	52	14,556,727	10,396,517	40
Other reserves	34,873,689	36,640,612	(5)	39,201,309	41,058,057	(5)
Total equity attributable to equity holders of the Bank	63,638,237	60,898,663	4	70,690,276	67,904,566	4
Non-controlling interests	-	-	-	1,952,914	1,734,132	13
Total equity	63,638,237	60,898,663	4	72,643,190	69,638,698	4
Total Liabilities and Equity	677,051,229	576,416,771	17	704,364,610	600,056,187	17
Contingent liabilities and commitments	361,737,510	339,722,332	6	361,737,510	339,722,332	6
Net Asset Value per Share (Rs.)	156.93	151.26	4	174.32	168.67	3
Memorandum Information						
Number of Employees	4,302	4,451				
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 September 2015 and its profit for the nine months ended 30th September 2015.

(Sgd.)

Ashok Goonesekere

Chief Financial Officer

12th November 2015

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

- 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.
- 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

12th November 2015

(Sgd.)

Renzie Arseculeratne

Chairman

12th November 2015

STATEMENT OF CHANGES IN EQUITY - BANK

	Stated Capital		Statutory Reserves			Other Reserves			Retained Earnings	Total
	Voting	Non-Voting	Reserve Fund	Investment Fund*	Available for Sale Reserve	Capital Reserve	General Reserve	ESOP Reserve		
For the 9 months ended 30th September 2015	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
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	-	-	-	-	-	-	-	-	6,829,481	6,829,481
Other Comprehensive Income for the period (net of tax)	-	-	-	-	(1,641,879)	-	-	-	-	(1,641,879)
Total comprehensive income for the period	-	-	-	-	(1,641,879)	-	-	-	6,829,481	5,187,602
Transactions with equity holders, recognised directly in equity										
Issue of shares under ESOP	335,050	44,698	-	-	-	-	-	-	-	379,748
Fair value of the employee share options exercised	90,325	12,175	-	-	-	-	-	(102,500)	-	-
Final Dividend 2014	-	-	-	-	-	-	-	-	(2,827,776)	(2,827,776)
Total transactions with equity holders	425,375	56,873	-	-	-	-	-	(102,500)	(2,827,776)	(2,448,028)
Transfer of revaluation reserve for disposal of PPE	-	-	-	-	-	(22,544)	-	-	22,544	-
Balance as at 30th September 2015	11,065,766	2,706,474	3,160,000	-	5,113,476	4,444,374	25,100,000	215,839	11,832,308	63,638,237
For the 9 months ended 30th September 2014										
Balance as at 1st January 2014	10,254,944	2,575,324	2,660,000	4,101,205	4,413,828	4,466,918	19,100,000	416,216	3,465,419	51,453,854
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	-	-	5,688,544	5,688,544
Other Comprehensive Income for the period (net of tax)	-	-	-	-	2,084,269	-	-	-	-	2,084,269
Total comprehensive income for the period	-	-	-	-	2,084,269	-	-	-	5,688,544	7,772,813
Transactions with equity holders, recognised directly in equity										
Issue of shares under ESOP	210,029	40,407	-	-	-	-	-	-	-	250,436
Final Dividend 2013	-	-	-	-	-	-	-	-	(2,800,912)	(2,800,912)
Transfer to Investment Fund	-	-	-	306,821	-	-	-	-	(306,821)	-
Total transactions with equity holders	210,029	40,407	-	306,821	-	-	-	-	(3,107,733)	(2,550,476)
Balance as at 30th September 2014	10,464,973	2,615,731	2,660,000	4,408,026	6,498,097	4,466,918	19,100,000	416,216	6,046,230	56,676,191

* Tax savings on the reduction of Financial VAT and Income Tax rate transferred to the Investment Fund as per the guidelines issued by the Department of Inland Revenue and the Central Bank of Sri Lanka. The operations of this fund was ceased with effect from 1st October 2014 and the balance as at that date was transferred to retained earnings.

STATEMENT OF CHANGES IN EQUITY - GROUP

	Stated Capital		Statutory Reserves		Other Reserves						Retained Earnings	Non Controlling Interest	Total	
	Voting	Non-Voting	Reserve Fund	Investment Fund*	Available for sale Reserve	Capital Reserve*	General Reserve	ESOP Reserve	Life policy holder Reserve fund	Exchange equalization reserve				
For the 9 months ended 30th September 2015	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
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	-	-	-	-	-	-	-	-	-	-	6,982,036	302,693	7,284,729	
Other Comprehensive Income for the period (net of tax)	-	-	-	-	(1,662,656)	-	-	-	-	-	(3,880)	(8,911)	(1,675,447)	
Total comprehensive income for the period	-	-	-	-	(1,662,656)	-	-	-	-	-	6,978,156	293,782	5,609,282	
Transactions with equity holders, recognised directly in equity														
Issue of shares under ESOP	335,050	44,698	-	-	-	-	-	-	-	-	-	-	379,748	
Fair value of the employee share options granted	90,325	12,175	-	-	-	-	-	(102,500)	-	-	-	-	-	
Final dividend 2014	-	-	-	-	-	-	-	-	-	-	(2,827,776)	(75,000)	(2,902,776)	
Deemed disposal gain through Joint Venture	-	-	-	-	-	-	-	-	-	-	9,830	-	9,830	
Transfer to life policy holder reserve fund	-	-	-	-	-	-	-	-	(91,591)	-	-	-	(91,591)	
Transfer of revaluation reserve for disposal of PPE	-	-	-	-	-	(22,544)	-	-	-	-	22,544	-	-	
Total transactions with equity holders	425,375	56,873	-	-	-	(22,544)	-	(102,500)	(91,591)	-	(2,795,402)	(75,000)	(2,604,789)	
Balance as at 30th September 2015	11,065,766	2,706,474	3,160,000	-	5,143,535	8,770,234	25,100,000	215,839	(50,843)	-	14,579,271	1,952,914	72,643,190	
For the 9 months ended 30th September 2014														
Balance as at 1st January 2014	10,254,944	2,575,324	2,660,000	4,101,205	4,454,989	8,792,657	19,100,000	416,216	(4,182)	-	5,210,483	809,241	58,370,877	
Total comprehensive income for the period														
Profit for the period	-	-	-	-	-	-	-	-	-	-	6,166,768	63,510	6,230,278	
Other Comprehensive Income for the period (net of tax)	-	-	-	-	2,086,552	-	-	-	-	-	-	302	2,086,854	
Total comprehensive income for the period	-	-	-	-	2,086,552	-	-	-	-	-	6,166,768	63,812	8,317,132	
Transactions with equity holders, recognised directly in equity														
Issue of shares under ESOP	210,029	40,407	-	-	-	-	-	-	-	-	-	-	250,436	
Final dividend 2013	-	-	-	-	-	-	-	-	-	-	(2,800,912)	(65,000)	(2,865,912)	
Deemed disposal gain through Joint Venture	-	-	-	-	-	-	-	-	-	-	20,628	-	20,628	
Transfer to life policy holder reserve fund	-	-	-	-	-	-	-	-	126,478	-	-	-	126,478	
Transfer to Investment Fund	-	-	-	306,821	-	-	-	-	-	-	(306,821)	-	-	
Total transactions with equity holders	210,029	40,407	-	306,821	-	-	-	-	126,478	-	(3,087,105)	(65,000)	(2,468,370)	
Balance as at 30th September 2014	10,464,973	2,615,731	2,660,000	4,408,026	6,541,541	8,792,657	19,100,000	416,216	122,296	-	8,290,146	808,053	64,219,639	

* Tax savings on the reduction of Financial VAT and Income Tax rate transferred to the Investment Fund as per the guidelines issued by the Department of Inland Revenue and the Central Bank of Sri Lanka. The operations of this fund was ceased with effect from 1st October 2014 and the balance as at that date was transferred to retained earnings.

STATEMENT OF CASH FLOWS

For the period ended 30th September	BANK		GROUP	
	2015 Rs 000	2014 Rs 000	2015 Rs 000	2014 Rs 000
Cash Flows from Operating Activities				
Interest & Commission Receipts	42,578,922	42,313,429	45,640,776	42,531,601
Interest Payments	(19,686,056)	(24,485,176)	(20,242,808)	(24,464,176)
Receipts from other Operating Activities	1,780,993	1,244,101	5,342,761	4,189,929
Cash Payments to Employees	(5,515,563)	(5,178,422)	(6,456,128)	(5,620,153)
Recoveries from loans written off in previous years	14,739	7,727	14,739	7,727
Cash Payments to Suppliers and Other Operating Activities	(7,144,172)	(7,827,116)	(9,201,383)	(8,823,048)
Operating Profit before Changes in Operating Assets & Liabilities	12,028,863	6,074,543	15,097,957	7,821,880
(Increase)/ Decrease in Operating assets				
Reverse Repos	11,071,261	(6,838,370)	9,923,153	(7,131,962)
Deposits held for Regulatory or Monetary Control Purpose	(2,539,624)	(2,715,312)	(2,539,624)	(2,715,312)
Loans and advances	(67,239,397)	(18,872,587)	(69,838,251)	(19,334,283)
Other Short Term assets	(1,583,175)	(175,611)	(1,762,855)	(321,328)
	(60,290,935)	(28,601,880)	(64,217,577)	(29,502,885)
Increase / (Decrease) in Operating Liabilities				
Repo Borrowings	(5,531,854)	20,315,584	(5,735,888)	20,315,584
Deposits from Customers	77,154,398	22,042,235	78,988,810	22,048,236
Other Liabilities	1,643,989	997,029	1,787,826	1,054,747
	73,266,533	43,354,848	75,040,748	43,418,567
Net Cash Generated from Operating Activities before Income Tax	25,004,461	20,827,511	25,921,128	21,737,562
Income Taxes Paid	(1,591,516)	(579,218)	(1,762,277)	(579,411)
Net Cash Generated from Operating Activities	23,412,945	20,248,293	24,158,851	21,158,151
Cash Flows from Investing Activities				
Dividend Income	764,129	303,347	253,620	227,293
Net Proceeds from Sale, Maturity and Purchase of Financial Investments	(45,918,678)	(18,322,154)	(46,020,696)	(19,450,696)
Purchase of Property, Plant & Equipment	(359,744)	(455,536)	(498,239)	(480,807)
Purchase of Intangible Assets	(30,565)	(93,282)	(38,909)	(99,246)
Improvements to Investment Properties	-	(51,010)	-	(51,010)
Proceeds from Sale of Property Plant & Equipment	50,218	17,269	50,714	16,775
Net Cash Flows used in Investing Activities	(45,494,640)	(18,601,366)	(46,253,510)	(19,837,691)
Cash Flows from Financing Activities				
Increase/ (Decrease) in Debentures	-	(271,331)	-	(256,965)
Increase/ (Decrease) of Borrowings / Term Loans	23,324,557	(782,131)	23,306,116	(782,131)
Dividends Paid	(2,696,343)	(2,673,366)	(2,771,343)	(2,738,366)
Proceeds from issue of shares under ESOP	379,748	250,436	379,748	250,436
Net Cash Generated from / (used in) Financing Activities	21,007,962	(3,476,392)	20,914,521	(3,527,026)
Net decrease in Cash and Cash Equivalents	(1,073,733)	(1,829,465)	(1,180,138)	(2,206,566)
Cash and Cash Equivalents at the Beginning of the period	16,930,833	12,871,256	18,518,305	14,611,292
Cash and Cash Equivalents at the End of the period	15,857,100	11,041,791	17,338,167	12,404,726
Cash and Cash Equivalents at End of the Period				
Cash and Short Term Funds	15,857,100	11,041,791	17,338,167	12,404,726

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS - BANK

As at 30.09.2015	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	-	-	-	15,831,871	-	-	15,831,871
Balances with Central Bank of Sri Lanka	-	-	-	19,447,162	-	-	19,447,162
Placements with banks	-	-	-	25,229	-	-	25,229
Derivative financial instruments	1,557,719	-	-	-	-	-	1,557,719
Other financial assets held for trading	602,052	-	-	-	-	-	602,052
Securities purchased under resale agreements	-	-	-	5,721,118	-	-	5,721,118
Loans and receivables to customers	-	-	-	461,588,843	-	-	461,588,843
Financial investments - Available-for-sale	-	-	-	-	79,328,909	-	79,328,909
Financial investments - Loans and receivables	-	-	-	68,055,997	-	-	68,055,997
Other assets	-	-	-	1,992,352	-	-	1,992,352
Total financial assets	2,159,771	-	-	572,662,572	79,328,909	-	654,151,252
	HFT	Designated at Fair Value	Amortised Cost	Hedging	Total		
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000		
LIABILITIES							
Due to banks	-	-	65,345,314	-	65,345,314		
Derivative financial instruments	414,868	-	-	-	414,868		
Due to other customers	-	-	496,808,090	-	496,808,090		
Securities sold under repurchase agreements	-	-	11,430,485	-	11,430,485		
Other borrowings	-	-	5,191,935	-	5,191,935		
Debt securities issued	-	-	4,499,912	-	4,499,912		
Subordinated term debts	-	-	11,885,294	-	11,885,294		
Dividends payable	-	-	718,511	-	718,511		
Other liabilities	-	-	415,207	-	415,207		
Total financial liabilities	414,868	-	596,294,748	-	596,709,616		
As at 31.12.2014							
	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	-	-	-	13,141,295	-	-	13,141,295
Balances with Central Bank of Sri Lanka	-	-	-	16,907,538	-	-	16,907,538
Placements with banks	-	-	-	3,789,538	-	-	3,789,538
Derivative financial instruments	178,370	-	-	-	-	-	178,370
Other financial assets held for trading	551,371	-	-	-	-	-	551,371
Securities purchased under resale agreements	-	-	-	16,930,572	-	-	16,930,572
Loans and receivables to other customers	-	-	-	395,480,136	-	-	395,480,136
Financial investments - Available for sale	-	-	-	-	67,842,229	-	67,842,229
Financial investments - Loans and receivables	-	-	-	36,166,064	-	-	36,166,064
Other assets	-	-	-	1,954,191	-	-	1,954,191
Total financial assets	729,741	-	-	484,369,334	67,842,229	-	552,941,304
	HFT	Designated at Fair Value	Amortised Cost	Hedging	Total		
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000		
LIABILITIES							
Due to banks	-	-	43,428,762	-	43,428,762		
Derivative financial instruments	630,598	-	-	-	630,598		
Due to other customers	-	-	419,327,123	-	419,327,123		
Securities sold under repurchase agreements	-	-	16,983,545	-	16,983,545		
Other borrowings	-	-	4,345,285	-	4,345,285		
Debt securities issued	-	-	4,451,407	-	4,451,407		
Subordinated term debts	-	-	11,653,759	-	11,653,759		
Dividends payable	-	-	587,078	-	587,078		
Other liabilities	-	-	373,925	-	373,925		
Total financial liabilities	630,598	-	501,150,884	-	501,781,482		
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 30.09.2015	HFT Rs 000	Designated at Fair Value Rs 000	HTM Rs 000	Amortised Cost Rs 000	AFS Rs 000	Hedging Rs 000	Total Rs 000
ASSETS							
Cash and cash equivalents	-	-	-	16,190,647	-	-	16,190,647
Balances with Central Bank	-	-	-	19,447,162	-	-	19,447,162
Placements with banks	-	-	-	1,147,520	-	-	1,147,520
Securities purchased under resale agreements	-	-	-	9,570,350	-	-	9,570,350
Derivative financial instruments	1,557,719	-	-	-	-	-	1,557,719
Other financial assets held for trading	1,271,997	-	-	-	-	-	1,271,997
Loans and receivables to customers	-	-	-	469,731,843	-	-	469,731,843
Financial investments - Available-for-sale	-	-	-	-	80,965,829	-	80,965,829
Financial investments - Held -to- maturity	-	-	612,679	-	-	-	612,679
Financial investments - Loans and receivables	-	-	-	70,729,877	-	-	70,729,877
Other assets	-	-	-	1,984,261	-	-	1,984,261
Total financial assets	2,829,716	-	612,679	588,801,660	80,965,829	-	673,209,884
	HFT Rs 000	Designated at Fair Value Rs 000	Amortised Cost Rs 000	Hedging Rs 000	Total Rs 000		
LIABILITIES							
Due to banks	-	-	65,402,547	-	65,402,547		
Derivative financial instruments	414,868	-	-	-	414,868		
Securities sold under repurchase agreements	-	-	11,226,451	-	11,226,451		
Due to customers	-	-	505,024,342	-	505,024,342		
Other borrowings	-	-	5,191,935	-	5,191,935		
Debt securities issued	-	-	4,917,530	-	4,917,530		
Subordinated term debts	-	-	11,908,954	-	11,908,954		
Dividends payable	-	-	718,511	-	718,511		
Other liabilities	-	-	1,112,150	-	1,112,150		
Total financial liabilities	414,868	-	603,671,759	-	604,805,138		
	HFT Rs 000	Designated at Fair Value Rs 000	HTM Rs 000	Amortised Cost Rs 000	AFS Rs 000	Hedging Rs 000	Total Rs 000
As at 31.12.2014							
ASSETS							
Cash and cash equivalents	-	-	-	13,421,850	-	-	13,421,850
Balances with central banks	-	-	-	16,907,538	-	-	16,907,538
Placements with banks	-	-	-	5,096,455	-	-	5,096,455
Securities purchased under resale agreements	-	-	-	19,575,253	-	-	19,575,253
Derivative financial instruments	178,370	-	-	-	-	-	178,370
Other financial assets held for trading	1,052,727	-	-	-	-	-	1,052,727
Loans and receivables to customers	-	-	-	401,062,725	-	-	401,062,725
Financial investments - Available-for-sale	-	-	-	-	69,443,056	-	69,443,056
Financial investments - Held -to- maturity	-	-	955,421	-	-	-	955,421
Financial investments - Loans and receivables	-	-	-	38,846,129	-	-	38,846,129
Other assets	-	-	-	2,154,664	-	-	2,154,664
Total financial assets	1,231,097	-	955,421	497,064,614	69,443,056	-	568,694,188
	HFT Rs 000	Designated at Fair Value Rs 000	Amortised Cost Rs 000	Hedging Rs 000	Total Rs 000		
LIABILITIES							
Due to banks	-	-	43,504,729	-	43,504,729		
Derivative financial instruments	630,598	-	-	-	630,598		
Securities sold under repurchase agreements	-	-	16,983,545	-	16,983,545		
Due to customers	-	-	425,620,382	-	425,620,382		
Other borrowings	-	-	4,345,285	-	4,345,285		
Debt securities issued	-	-	4,842,627	-	4,842,627		
Subordinated term debts	-	-	11,677,046	-	11,677,046		
Dividends payable	-	-	587,078	-	587,078		
Other liabilities	-	-	832,552	-	832,552		
Total financial liabilities	630,598	-	508,393,244	-	509,023,842		
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 9 months ended 30th September	Banking		Leasing/Hire purchase		Property		Insurance		Others*		Eliminations / Unallocated		Consolidated	
	2015 Rs 000	2014 Rs 000	2015 Rs 000	2014 Rs 000	2015 Rs 000	2014 Rs 000	2015 Rs 000	2014 Rs 000	2015 Rs 000	2014 Rs 000	2015 Rs 000	2014 Rs 000	2015 Rs 000	2014 Rs 000
Total revenue from external customers	41,304,614	42,470,208	2,858,796	2,464,366	144,916	160,932	4,134,376	3,615,928	2,916,600	-	(540,574)	(85,148)	50,818,728	48,626,286
Inter segment revenue	62,764	76,990	-	-	544,599	507,919	54,488	39,720	-	-	(661,851)	(624,629)	-	-
Total revenue	41,367,378	42,547,198	2,858,796	2,464,366	689,515	668,851	4,188,864	3,655,648	2,916,600	-	(1,202,425)	(709,777)	50,818,728	48,626,286
Segment result	9,052,137	7,360,675	1,183,904	1,669,208	544,537	442,214	(39,908)	227,549	1,006,306	-	(577,294)	(92,759)	11,169,682	9,606,887
Unallocated expenses													(938,924)	(1,006,507)
Profit from operations													10,230,758	8,600,381
Income from Associates and Joint Venture													58,732	138,812
Taxes													(3,004,761)	(2,508,915)
Profit for the period													7,284,729	6,230,278
Non Controlling Interest													(302,693)	(63,510)
Profit attributable to the Equity holders of the Bank													6,982,036	6,166,768
Profit for the period													7,284,729	6,230,278
Other comprehensive Income,Net of tax	(1,641,879)	2,084,269	-	-	-	-	(8,970)	753	(9,203)	-	(15,395)	1,832	(1,675,447)	2,086,854
Total Comprehensive income for the period													5,609,282	8,317,132
Non Controlling Interest													(293,782)	(63,812)
Total comprehensive income attributable to the Equity Holders of the Bank													5,315,500	8,253,320
Total assets	640,434,668	535,180,880	36,616,561	21,423,503	7,601,607	7,514,739	11,159,607	9,497,160	11,986,462	-	(3,434,295)	(2,468,615)	704,364,610	571,147,667
Total liabilities	576,796,433	478,504,691	36,616,561	21,423,503	607,137	693,492	9,087,014	7,261,296	10,189,754	-	(1,575,479)	(954,933)	631,721,420	506,928,049
Cash flow from operating activities	39,095,661	18,644,709	(15,682,716)	1,603,584	474,146	459,613	737,642	587,956	7,462	-	(473,344)	(137,711)	24,158,851	21,158,151
Cash flow from Investing activities	(45,494,640)	(18,601,366)	-	-	(604,322)	-	(437,072)	(451,847)	62,882	-	219,642	(784,478)	(46,253,510)	(19,837,691)
Cash flow from financing activities	21,007,962	(3,476,392)	-	-	-	(501,918)	(187,500)	(162,500)	(31,834)	-	125,893	613,784	20,914,521	(3,527,026)

*Business of HNB Grameen Finance Limited

EXPLANATORY NOTES

1. There are no changes in accounting policies and methods of computation since the publication of annual accounts for the year 2014.
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)

	2010 Allocation*		2012 Allocation**		2013 Allocation***	
	Voting	Non-voting	Voting	Non-voting	Voting	Non-voting
No of options brought forward	561,139	97,399	2,394,320	383,697	2,833,603	679,944
No of options granted in 2015	-	-	-	-	-	-
No of options exercised during the period	(465,839)	(86,442)	(931,192)	(162,942)	(1,036,670)	(234,033)
No of options expired during the period	(95,300)	(10,957)	(30,832)	(7,642)	(49,734)	(8,308)
No of options remaining	-	-	1,432,296	213,113	1,747,199	437,603
Allotment price (Rs)	111.43	65.67	145.79	81.43	142.17	110.04
Average market price for the period ended 30th September 2015 (Rs)	221.32	173.67	221.32	173.67	221.32	173.67

*These options were allocated on 20th April 2010 and the retention period ended on 19th April 2011.

**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 Micro Finance Ltd & the Group's interest in Joint Venture Acuity Partners (Pvt) Ltd.
7. Additional Information requested by the Banking Supervision Division of Central Bank of Sri Lanka by their circular dated 11th October 2013, has been given in the notes to the financial statements.
8. A Super Gains Tax was imposed by the Finance Bill passed in Parliament on 20th October 2015, where by Super Gains Tax is payable by every Company or individual whose profit before income tax as per the audited financial statements for the year of assessment 2013/2014 exceeds Rs. 2 Bn, at the rate of 25% on its taxable profits for the said year of assessment. SGT payments are to be made in three equal installments on 30th October 2015, 30th November 2015 and 31st December 2015. The Bill became legally effective from 30th October 2015. The impact for the Group from Super Gains Tax amounts to Rs 2,105 Mn. The first installment in respect of SGT was payable on 30th October 2015 and the Group paid Rs 702 Mn on such date.
9. There are no material events that took place after the balance sheet date which require adjustment or disclosure in the financial statements, other than as disclosed in note 8 above.

SELECTED PERFORMANCE INDICATORS (AS PER REGULATORY REPORTING)

	As at		As at	
	30.09.2015	31.12.2014	30.09.2015	31.12.2014
	Bank		Group	
Regulatory Capital Adequacy				
Core capital (Tier 1 Capital) Rs. Mn	49,057	47,299	53,491	51,191
Total Capital Base. Rs. Mn	60,355	57,750	65,155	63,029
Core capital adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 5%)	10.60%	12.15%	10.91%	12.70%
Total capital adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 10%)	13.04%	14.83%	13.29%	15.34%

	30.09.2015	31.12.2014
	Bank	
Assets Quality (Quality of Loan Portfolio)		
Gross Non-Performing Advances Ratio, % (net of Interest in Suspense)	2.98%	3.16%
Net Non-Performing Advances Ratio, % (net of Interest in Suspense and provisions)	1.29%	1.43%
Profitability (Annualised)		
Interest Margin, %	4.12%	4.58%
Return on Assets (before Tax), %	2.02%	2.22%
Return on Equity, %	14.62%	16.03%
Regulatory Liquidity		
Statutory Liquid Assets, Rs. Mn		
Domestic Banking unit	120,940	99,627
Off-Shore Banking Unit	13,470	7,442
Statutory Liquid Assets Ratio % (Minimum requirement 20%)		
Domestic Banking unit	23.15%	22.39%
Off-Shore Banking Unit	30.79%	22.49%

LISTED DEBENTURE INFORMATION

Quarter ended 30th September	Market Value				Quarter ended 30th September	Yield as at Last Trade Done	
	2015		2014			2015	2014
	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.)	112.90	111.92	N/T	N/T	5 year Fixed Rate (14.00% p.a.)	8.64	N/T
10 year Fixed Rate (14.25% p.a.)	N/T	N/T	82.24	82.24	10 year Fixed Rate (14.25% p.a.)	N/T	11.25
HNB DEBENTURES 2014					HNB DEBENTURES 2014		
3 year Fixed Rate (7.00% p.a.)	N/T	N/T	N/A	N/A	3 year Fixed Rate (7.00% p.a.)	N/T	N/A
5 year Fixed Rate (7.90% p.a.)	N/T	N/T	N/A	N/A	5 year Fixed Rate (7.90% p.a.)	N/T	N/A
10 year Fixed Rate (8.50% p.a.)	N/T	N/T	N/A	N/A	10 year Fixed Rate (8.50% p.a.)	N/T	N/A

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

Quarter ended 30th September	Yield to Maturity of Last Trade Done (% p.a)	
	2015	2014
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.)	8.64	N/T
10 year Fixed Rate (14.25% p.a.)	N/T	11.25
HNB DEBENTURES 2014		
3 year Fixed Rate (7.00% p.a.)	N/T	N/A
5 year Fixed Rate (7.90% p.a.)	N/T	N/A
10 year Fixed Rate (8.50% p.a.)	N/T	N/A

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

RATIOS OF DEBT		
	30.09.2015	31.12.2014
Debt Equity Ratio (%)	89.04	54.59
Interest Cover (Times)	5.40	5.39
Yield of Comparable Govt. Security for the following HNB Debentures (% p.a.)		
	30.09.2015	30.09.2014
2006 series 15 year maturity	10.66	8.07
2006 series 18 year maturity	11.28	8.44
2007 series 10 year maturity	8.98	7.09
2007 series 15 year maturity	10.99	8.21
2011 series 10 year maturity	10.81	8.32
2013 series 5 year maturity	8.62	7.28
2013 series 10 year maturity	10.03	8.26
2014 series 3 year maturity	8.30	N/A
2014 series 5 year maturity	9.27	N/A
2014 series 10 year maturity	10.23	N/A

SHARE INFORMATION

As at	30-Sep-15	31-Dec-14
Number of Shares		
Voting	324,170,210	321,736,509
Non-voting	81,344,564	80,861,147
Last Traded Price per Share		
Voting (Rs.)	214.00	194.90
Non-voting (Rs.)	175.10	152.90

For the Quarter Ended	30-Sep-15	30-Sep-14
Highest Price per Share		
Voting (Rs.)	230.50	192.70
Non-voting (Rs.)	184.50	146.00
Lowest Price per Share		
Voting (Rs.)	203.00	155.60
Non-voting (Rs.)	170.00	127.00

PUBLIC SHARE HOLDING PERCENTAGE

As at	30-Sep-15
Voting	61 % approx.
Non-voting	99 % approx.

NUMBER OF PUBLIC SHAREHOLDERS

As at	30-Sep-15
Voting	4,625
Non-voting	10,720

DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S SHARE HOLDING

	Number of shares	
	30-Sep-15	31-Dec-14
1. Mr.R.A.R.Arseculeratne ***	-	N/A
2. Mr.A.J.Alles *	2,000	2,000
3. Ms.M.A.R.C.Coaray	5,312	5,312
4. Dr.W.W.Gamage **	-	101
5. Dr.L.R.Karunaratne	1,018	1,018
6. Mr.L.U.D.Fernando	509	2,667
7. Mr.D.T.S.H.Mudalige	-	-
8. Miss.D.S.C.Jayawardena	500	500
9. Mr.R.S.Captain	6,007	6,007
10. Mr.D.A.Cabraal	-	-
11. Mr.P.S.C.Pelpola ***	-	N/A
12. Mr.E.D.P.Soosaipillai ***	-	N/A
13. Mr.A.H.D.A.N.De Silva ***	-	N/A

* Chief Executive Officer

** Resigned with effect from 29th May 2015

*** Appointed with effect from 30th April 2015

20 MAJOR SHAREHOLDERS (VOTING) AS AT 30TH SEPTEMBER 2015

	Name	No. of shares	% on total voting capital
1.	Sri Lanka Insurance Corporation Ltd.	47,635,487	14.69
2.	Employees Provident Fund	31,836,612	9.82
3.	Milford Exports (Ceylon) Limited	25,828,280	*7.97
4.	Mr.Sohli Edelji Captain	23,705,220	7.31
5.	Stassen Exports Ltd	22,387,096	*6.91
6.	Sonetto Holdings Limited	14,697,921	4.53
7.	HSBC Int'l Nominees Ltd-JPMLU-Franklin Templeton Investment	13,012,761	4.01
8.	Distilleries Company of Sri Lanka PLC	10,016,272	*3.09
9.	National Savings Bank	9,371,940	2.89
10.	Standard Chartered Bank Singapore S/A HL Bank Singapore	6,420,188	1.98
11.	Citi Group Global Markets Ltd Agency Trading Prop. Sec.	6,212,098	1.92
12.	The Bank of New York Mellon SA/NV-CF Ruffer Total return Fund	5,138,289	1.59
13.	The Bank of New York Mellon SA/NV-CF Ruffer Absolute return	3,448,972	1.06
14.	Ms.Leesha Anne Captain	2,870,020	0.89
15.	Mrs. Cheryl Susan De Fonseka	2,719,898	0.84
16.	BNY-CF Ruffer Investment Funds : CF Ruffer Pacific Fund	2,628,518	0.81
17.	HSBC INTL Nom Ltd-UBS AG Zurich	2,578,841	0.80
18.	BNYM SA/NV-Blackrock Frontiers Investment Trust PLC	2,129,201	0.66
19.	HSBC Int'l Nom Ltd- SSBT-Parametric Emerging Markets Fund	1,911,012	0.59
20.	BNYM SA/NV - Frontier Market Opportunities Master FD, L.P.	1,791,873	0.55

**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 17.97% 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 SEPTEMBER 2015

	Name	No. of shares	% on total non-voting capital
1.	HSBC Intl nominees Ltd-JPMLU-Franklin Templeton Invest	8,026,537	9.87
2.	HSBC Int'l Nom Ltd-UBS AG Zurich	7,083,734	8.71
3.	BNYM SA/NV-Frontaura Global Frontier Fund LLC	4,547,707	5.59
4.	The Bank of New York Mellon SA/NV-CF Ruffer Total Return Fund	2,557,103	3.14
5.	Akbar Brothers Pvt Ltd A/c No.01	1,989,845	2.45
6.	The Bank of New York Mellon SA/NV-CF Ruffer Absolute Return	1,703,364	2.09
7.	Mr.Sohli Edelji Captain	1,442,839	1.77
8.	Northern Trust Company S/A Polar Capital Funds PLC	1,220,030	1.50
9.	CITI Bank NY S/A Forward International Dividend Fund	1,142,944	1.41
10.	Union Assurance PLC No.1 A/c	1,047,778	1.29
11.	Mr. Jayampathi Divale Bandaranayake	1,020,022	1.25
12.	BNY-CF Ruffer Investment Funds:CF Ruffer Pacific Fund	1,011,115	1.24
13.	Commercial Bank of Ceylon PLC/Dunamis Capital PLC	783,463	0.96
14.	Rubber Investment Trust Limited A/c # 01	766,648	0.94
15.	Deutsche Bank AG Singapore Branch	757,634	0.93
16.	Citibank Newyork S/A Norges Bank Account 2	713,383	0.88
17.	Employee Trust Fund Board	710,367	0.87
18.	Deutsche Bank AG as Trustee for JB Vantage Value Equity Fund	667,731	0.82
19.	Hatton National Bank PLC A/c No.2	574,733	0.71
20.	The Ceylon Investment PLC A/c # 02	553,721	0.68

NOTES TO THE FINANCIAL STATEMENTS

As at	BANK		GROUP	
	30.09.2015 Rs 000	31.12.2014 Rs 000	30.09.2015 Rs 000	31.12.2014 Rs 000
1) Loans and Receivables to Customers				
Gross loans and receivables	473,885,487	406,134,414	482,169,026	412,426,491
Less : Individual impairment	(3,046,001)	(2,645,389)	(3,141,122)	(3,333,404)
Collective impairment	(9,250,643)	(8,008,889)	(9,296,061)	(8,030,362)
Net loans and receivables	461,588,843	395,480,136	469,731,843	401,062,725
2) Loans and Receivables to Customers - By product				
By product-Domestic Currency				
Overdrafts	70,349,544	67,433,323	70,341,988	67,433,323
Bills of exchange	911,360	865,146	911,360	865,146
Commercial papers	157,111	161,631	157,111	161,631
Short term loans	45,413,967	40,019,432	45,501,517	40,090,513
Credit Cards	4,286,831	3,913,915	4,286,831	3,913,915
Trust receipts	21,091,860	16,582,564	21,091,860	16,582,564
Packing credit loans	648,751	182,316	648,751	182,316
Staff loans	10,712,589	9,699,849	11,167,626	10,013,167
Term loans	180,276,758	145,657,500	188,025,266	151,565,178
Lease rentals receivable	38,452,077	24,478,081	38,452,077	24,478,081
Housing loans	28,416,305	26,531,815	28,416,305	26,531,815
Pawning advances	17,118,467	23,031,032	17,118,467	23,031,032
Sub total	417,835,620	358,556,604	426,119,159	364,848,681
By product-Foreign Currency				
Overdrafts	397,923	1,685,644	397,923	1,685,644
Bills of exchange	2,352,164	1,596,677	2,352,164	1,596,677
Short term loans	685,347	645,222	685,347	645,222
Trust receipts	743,222	1,284,926	743,222	1,284,926
Packing credit loans	9,195,835	9,212,549	9,195,835	9,212,549
Term loans	41,440,671	32,057,333	41,440,671	32,057,333
Lease rentals receivable	54,755	4,792	54,755	4,792
Housing loans	1,179,950	1,090,667	1,179,950	1,090,667
Sub total	56,049,867	47,577,810	56,049,867	47,577,810
Total	473,885,487	406,134,414	482,169,026	412,426,491
3) Movements in Individual and Collective Impairment during the period for Loans and Receivables to Customers				
Individual impairment				
Opening balance at 01st January	2,645,389	2,027,843	3,333,404	2,027,843
Charge/(Write back) to income statement	400,612	122,701	437,191	36,404
Amounts written off	-	-	(629,473)	-
Closing balance as at 30th September	3,046,001	2,150,544	3,141,122	2,064,247
Collective impairment				
Opening balance at 01st January	8,008,889	8,586,339	8,030,362	8,588,339
Charge/(Write back) to income statement	1,282,187	2,265,542	1,306,132	2,586,479
Amounts written off	(40,433)	(1,992,500)	(40,433)	(1,789,106)
Closing balance as at 30th September	9,250,643	8,859,381	9,296,061	9,385,712
Total impairment	12,296,644	11,009,925	12,437,183	11,449,959
4) Due to Customers - By product				
By product-Domestic Currency				
Current account deposits	29,539,684	29,739,375	29,291,501	29,350,797
Savings deposits	153,476,958	137,079,901	154,698,436	137,950,881
Time deposits	226,974,759	182,986,184	234,311,522	188,899,993
Certificates of deposit	1,111,020	1,374,807	1,111,020	1,374,807
Margin deposits	1,849,053	1,552,448	1,849,053	1,552,448
Sub total	412,951,474	352,732,715	421,261,533	359,128,926
By product- Foreign Currency				
Current account deposits	1,496,253	2,869,270	1,496,253	2,869,270
Savings deposits	24,470,772	20,866,722	24,464,485	20,852,427
Time deposits	57,848,226	42,826,192	57,760,706	42,737,535
Margin deposits	41,365	32,224	41,365	32,224
Sub total	83,856,616	66,594,408	83,762,809	66,491,456
Total	496,808,090	419,327,123	505,024,342	425,620,382