



Hatton National Bank PLC

**Interim Financial Statements
for the Nine Months ended 30th September 2017**

FINANCIAL COMMENTARY FOR THE 09 MONTHS ENDED 30TH SEPTEMBER 2017

- HNB Group Posts Rs 16.8 Bn PBT
- Group assets cross Rs 1 Trillion
- Shareholder funds increase to Rs 103.2Bn
- Total tax charge of Rs 9 Bn for the Group

Hatton National Bank PLC (HNB) continued its growth momentum to post a group Profit before VAT & NBT of Rs 20.7 Bn while the PBT and PAT improved to Rs 16.8 Bn and Rs 11.8 Bn respectively for the first nine months of the year while group assets crossed Rs 1 Tn. PBT at Bank level surpassed Rs 15 Bn and PAT was recorded at Rs 10.9 Bn.

Interest income of the Bank grew by 33.5% year on year (yoy), supported by a 14.9% yoy growth in advances. The 14.9% yoy growth in current account and savings account (CASA) deposits to Rs 247.2 Bn, enabled to improve the net interest income of the Bank by 18.7% yoy to Rs 29.6 Bn.

The interest income was complimented by fee and commission income which grew by 20.4% yoy on a net basis, adding Rs 6.1 Bn to the Bank's topline. Credit card business, trade finance and guarantee commission continued to be key contributors towards this growth.

An increase in swap rates as well as the volume of swaps led to the 'trading loss' increasing to Rs 2.8 Bn during the first nine months of 2017 compared to the loss of Rs 1.3 Bn in the corresponding period of the previous year. However the corresponding increase from position revaluations contributed to a 29.5% rise in 'other operating income' to Rs 2.8 Bn from Rs 2.1 Bn in 2016.

The NPA ratio increased to 2.6% as at end of September 2017 while the total impairment charge for the period amounted to Rs 2.3 Bn.

The initiatives adopted in the recent years towards operational excellence continued to bear fruit with HNB being able to contain the increase in total operating expenses to 7.5% yoy. Thus, the cost to income ratio for the nine months ended September 2017 improved by over 300 bps to 40.5% from the level reported for the corresponding period in 2016.

The upward revision in VAT to 15% from 11% in 2016, led to an increase of 29.6% in VAT & NBT charges for the period. This resulted in the Bank's PBT growth being constrained to 6.3%, leading to a PBT of Rs 15.4 Bn for the period. The Bank's total tax charge for the period (including VAT & NBT) amounted to Rs 8.2 Bn with the effective tax rate being 43% for the nine months ended September 2017.

The asset base of the Bank grew by 11% to Rs 953.3 Bn while net loans and advances reached Rs 625 Bn as at end of September 2017. HNB was successful in recording an impressive Rs 76.4 Bn growth in deposits during the period with the total deposits nearing Rs 700 Bn.

The rights issue which was concluded successfully during the third quarter of 2017 enabled the Bank to improve its Tier I and Total Capital Ratios to 12.91% and 16.42% respectively, significantly above the Basel III guidelines as set out by the Central Bank of Sri Lanka. The capital raised also resulted in ROE declining to 16.1%, while ROA was at 1.6% for the period.

All group companies contributed positively towards the group PBT of Rs 16.8 Bn and group PAT of Rs 11.8 Bn for the first nine months of the year.

During 2017 the Asian Banker adjudged HNB as the 'Best Retail Bank in Sri Lanka' for the 9th time while also recognizing it as possessing the 'Best Micro finance Product in the Asia Pacific Region'. The 'Asia Money Magazine' awarded HNB as the 'Best Bank for SME' and the 'Best Bank for CSR' in the country'. CFA Sri Lanka bestowed HNB with a 'Bronze' award for Investor Relations while HNB's Annual Report was adjudged to be among the top 10 integrated reports at the CMA Sri Lanka awards 2017. HNB's leadership in technology was also recognized with the Bank's ATM network being awarded as the 'Best ATM Network of the Year' at the Lanka Pay Technnovation Awards 2017. Furthermore, HNB moved up the ranks to be No. 3 in the LMD Top 100 Companies ranking and to the second position in Business Today top 30 rankings, which places HNB as the highest ranked bank in both these rankings.

HNB is the first local Bank in Sri Lanka to receive an international rating on par with the sovereign from Moody's Investor Services while maintaining a national long term rating of AA - (Ika) from Fitch Ratings Lanka Ltd. HNB is also ranked amongst the top 1000 banks in the world by the Banker.

STATEMENT OF PROFIT OR LOSS

| | BANK | | | | | | GROUP | | | | | |
|--|---------------------------------------|----------------|---------------------------|---------------------------------------|----------------|---------------------------|---------------------------------------|----------------|---------------------------|---------------------------------------|----------------|---------------------------|
| | For the 9 months ended 30th September | | | For the 3 months ended 30th September | | | For the 9 months ended 30th September | | | For the 3 months ended 30th September | | |
| | 2017 Rs 000 | 2016 Rs 000 | % Increase/ (Decrease) | 2017 Rs 000 | 2016 Rs 000 | % Increase/ (Decrease) | 2017 Rs 000 | 2016 Rs 000 | % Increase/ (Decrease) | 2017 Rs 000 | 2016 Rs 000 | % Increase/ (Decrease) |
| Gross Income | 77,960,011 | 59,733,295 | 31 | 26,663,032 | 22,056,872 | 21 | 88,593,959 | 68,397,396 | 30 | 30,506,587 | 25,304,688 | 21 |
| Interest income | 71,533,996 | 53,568,968 | 34 | 24,991,986 | 20,027,520 | 25 | 77,132,197 | 57,893,756 | 33 | 26,930,092 | 21,627,083 | 25 |
| Less : Interest expenses | 41,928,350 | 28,628,597 | 46 | 14,500,682 | 10,946,583 | 32 | 43,244,049 | 29,543,742 | 46 | 15,008,423 | 11,276,774 | 33 |
| Net interest income | 29,605,646 | 24,940,371 | 19 | 10,491,304 | 9,080,937 | 16 | 33,888,148 | 28,350,014 | 20 | 11,921,669 | 10,350,309 | 15 |
| Fee and commission income | 6,211,740 | 5,162,861 | 20 | 2,077,304 | 1,756,126 | 18 | 6,850,375 | 5,644,192 | 21 | 2,336,294 | 1,915,936 | 22 |
| Less : Fee and commission expenses | 80,347 | 68,700 | 17 | 27,522 | 21,492 | 28 | 156,035 | 111,602 | 40 | 54,301 | 39,321 | 38 |
| Net fee and commission income | 6,131,393 | 5,094,161 | 20 | 2,049,782 | 1,734,634 | 18 | 6,694,340 | 5,532,590 | 21 | 2,281,993 | 1,876,615 | 22 |
| Net interest, fee and commission income | 35,737,039 | 30,034,532 | 19 | 12,541,086 | 10,815,571 | 16 | 40,582,488 | 33,882,604 | 20 | 14,203,662 | 12,226,924 | 16 |
| Net gain/(loss) from trading | (2,762,551) | (1,250,822) | 121 | (1,873,222) | (727,494) | 157 | (2,746,387) | (1,272,523) | 116 | (1,877,155) | (707,856) | 165 |
| Net gain/(loss) from financial instruments designated at fair value through profit or loss | - | - | - | - | - | - | - | - | - | - | - | - |
| Net gain/(loss) from financial investments | 198,578 | 107,113 | 85 | 14,985 | 342 | 4,282 | 220,914 | 111,245 | 99 | 25,125 | (7,368) | 441 |
| Net insurance premium income | - | - | - | - | - | - | 4,638,295 | 4,037,660 | 15 | 1,632,398 | 1,452,137 | 12 |
| Other operating income (net) | 2,778,248 | 2,145,175 | 30 | 1,451,979 | 1,000,378 | 45 | 2,498,565 | 1,983,066 | 26 | 1,459,833 | 1,024,756 | 42 |
| Total operating income | 35,951,314 | 31,035,998 | 16 | 12,134,828 | 11,088,797 | 9 | 45,193,875 | 38,742,052 | 17 | 15,443,863 | 13,988,593 | 10 |
| Impairment for loans and other losses | | | | | | | | | | | | |
| Individual Impairment | 977,434 | (19,260) | 5,175 | 386,095 | 11,973 | 3,125 | 977,434 | (19,260) | 5,175 | 386,095 | 11,973 | 3,125 |
| Collective Impairment | 1,306,919 | 149,491 | 774 | 452,394 | (12,932) | 3,598 | 1,469,019 | 260,474 | 464 | 546,190 | 36,376 | 1,402 |
| Others | 2,560 | 16,607 | (85) | (3,961) | 10,639 | (137) | 459,539 | 16,607 | 2,667 | 41,917 | 10,639 | 294 |
| Net operating income | 33,664,401 | 30,889,160 | 9 | 11,300,300 | 11,079,117 | 2 | 42,287,883 | 38,484,231 | 10 | 14,469,661 | 13,929,605 | 4 |
| Operating expenses | | | | | | | | | | | | |
| Personnel expenses | 6,725,522 | 6,769,379 | (1) | 2,041,502 | 2,276,765 | (10) | 8,202,948 | 7,947,346 | 3 | 2,546,360 | 2,685,017 | (5) |
| Depreciation and amortisation | 830,516 | 762,993 | 9 | 287,492 | 262,584 | 9 | 1,169,739 | 1,029,026 | 14 | 405,770 | 371,054 | 9 |
| Benefits, claims and underwriting expenditure | - | - | - | - | - | - | 4,282,933 | 3,685,129 | 16 | 1,549,727 | 1,312,233 | 18 |
| Other expenses | 7,003,085 | 6,010,909 | 17 | 2,364,774 | 1,983,996 | 19 | 7,982,263 | 6,734,023 | 19 | 2,690,782 | 2,228,863 | 21 |
| Total operating expenses | 14,559,123 | 13,543,281 | 8 | 4,693,768 | 4,523,345 | 4 | 21,637,883 | 19,395,524 | 12 | 7,192,639 | 6,597,167 | 9 |
| Operating profit before value added tax (VAT) and nation building tax (NBT) on financial services | 19,105,278 | 17,345,879 | 10 | 6,606,532 | 6,555,772 | 1 | 20,650,000 | 19,088,707 | 8 | 7,277,022 | 7,332,438 | (1) |
| Value added tax (VAT) and nation building tax (NBT) on financial services | 3,701,083 | 2,854,771 | 30 | 1,232,258 | 1,176,298 | 5 | 4,017,795 | 3,105,589 | 29 | 1,344,186 | 1,273,389 | 6 |
| Operating profit after value added tax (VAT) and nation building tax (NBT) on financial services | 15,404,195 | 14,491,108 | 6 | 5,374,274 | 5,379,474 | - | 16,632,205 | 15,983,118 | 4 | 5,932,836 | 6,059,049 | (2) |
| Share of profit of Joint Venture (net of income tax) | - | - | - | - | - | - | 132,597 | 140,020 | (5) | 68,245 | 55,257 | 24 |
| Profit before income tax | 15,404,195 | 14,491,108 | 6 | 5,374,274 | 5,379,474 | - | 16,764,802 | 16,123,138 | 4 | 6,001,081 | 6,114,306 | (2) |
| Income tax expense | 4,506,793 | 4,393,798 | 3 | 1,612,834 | 1,690,953 | (5) | 4,959,556 | 4,891,579 | 1 | 1,726,340 | 1,887,391 | (9) |
| Profit for the period | 10,897,402 | 10,097,310 | 8 | 3,761,440 | 3,688,521 | 2 | 11,805,246 | 11,231,559 | 5 | 4,274,741 | 4,226,915 | 1 |
| Profit attributable to: | | | | | | | | | | | | |
| Equity holders of the Bank | 10,897,402 | 10,097,310 | 8 | 3,761,440 | 3,688,521 | 2 | 11,311,015 | 10,677,609 | 6 | 4,070,586 | 4,012,608 | 1 |
| Non-controlling interests | - | - | - | - | - | - | 494,231 | 553,950 | (11) | 204,155 | 214,307 | (5) |
| Profit for the period | 10,897,402 | 10,097,310 | 8 | 3,761,440 | 3,688,521 | 2 | 11,805,246 | 11,231,559 | 5 | 4,274,741 | 4,226,915 | 1 |
| Earnings per share on profit | | | | | | | | | | | | |
| Basic earnings per ordinary share (Rs) | 25.06 | 23.95 | 5 | 7.65 | 8.65 | (12) | 26.01 | 25.33 | 3 | 8.27 | 9.41 | (12) |
| Diluted earnings per ordinary share (Rs) | 25.04 | 23.90 | 5 | 7.64 | 8.63 | (11) | 25.99 | 25.27 | 3 | 8.27 | 9.39 | (12) |

STATEMENT OF COMPREHENSIVE INCOME

| | BANK | | | | | | GROUP | | | | | |
|---|---------------------------------------|----------------|---------------------------|---------------------------------------|----------------|---------------------------|---------------------------------------|----------------|---------------------------|---------------------------------------|----------------|---------------------------|
| | For the 9 months ended 30th September | | | For the 3 months ended 30th September | | | For the 9 months ended 30th September | | | For the 3 months ended 30th September | | |
| | 2017 Rs 000 | 2016 Rs 000 | % Increase/ (Decrease) | 2017 Rs 000 | 2016 Rs 000 | % Increase/ (Decrease) | 2017 Rs 000 | 2016 Rs 000 | % Increase/ (Decrease) | 2017 Rs 000 | 2016 Rs 000 | % Increase/ (Decrease) |
| Profit for the period | 10,897,402 | 10,097,310 | 8 | 3,761,440 | 3,688,521 | 2 | 11,805,246 | 11,231,559 | 5 | 4,274,741 | 4,226,915 | 1 |
| 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 | 3,077,844 | (1,732,866) | 278 | 1,472,497 | 1,436,050 | 3 | 3,511,383 | (1,730,595) | 303 | 1,743,561 | 1,595,741 | 9 |
| Transfer from/(to) life policy holder reserve fund | - | - | - | - | - | - | (398,026) | 1,665 | (24,005) | (246,703) | (146,609) | 68 |
| Net amount transferred to profit or loss (available-for-sale financial assets) | - | - | - | - | - | - | 13,436 | - | 100 | 7,210 | - | 100 |
| Deferred tax effect on above | (910,672) | 79,557 | (1,245) | (529,639) | (363,184) | 46 | (926,798) | 79,557 | (1,265) | (534,169) | (363,184) | 47 |
| Share of other comprehensive income of equity accounted joint venture | - | - | - | - | - | - | (13,841) | (26,867) | 48 | 962 | 12,095 | (92) |
| Net other comprehensive income to be reclassified to profit or loss in subsequent period | 2,167,172 | (1,653,309) | 231 | 942,858 | 1,072,866 | (12) | 2,186,154 | (1,676,240) | 230 | 970,861 | 1,098,043 | (12) |
| Other comprehensive income not to be reclassified to profit or loss in subsequent period | | | | | | | | | | | | |
| Re-measurement gains/(losses) on defined benefit plans | - | - | - | - | - | - | 8,793 | 12,922 | (32) | - | - | - |
| Deferred tax effect on above | - | - | - | - | - | - | (2,462) | (3,618) | (32) | - | - | - |
| Net other comprehensive income not to be reclassified to profit or loss in subsequent period | - | - | - | - | - | - | 6,331 | 9,304 | (32) | - | - | - |
| Other comprehensive income for the period, net of tax | 2,167,172 | (1,653,309) | 231 | 942,858 | 1,072,866 | (12) | 2,192,485 | (1,666,936) | 232 | 970,861 | 1,098,043 | (12) |
| Total comprehensive income for the period | 13,064,574 | 8,444,001 | 55 | 4,704,298 | 4,761,387 | (1) | 13,997,731 | 9,564,623 | 46 | 5,245,602 | 5,324,958 | (1) |
| Total comprehensive income attributable to: | | | | | | | | | | | | |
| Equity holders of the Bank | 13,064,574 | 8,444,001 | 55 | 4,704,298 | 4,761,387 | (1) | 13,488,429 | 9,003,718 | 50 | 5,030,630 | 5,105,419 | (1) |
| Non-controlling interests | - | - | - | - | - | - | 509,302 | 560,905 | (9) | 214,972 | 219,539 | (2) |
| Total comprehensive income for the period | 13,064,574 | 8,444,001 | 55 | 4,704,298 | 4,761,387 | (1) | 13,997,731 | 9,564,623 | 46 | 5,245,602 | 5,324,958 | (1) |

STATEMENT OF FINANCIAL POSITION

| | As at 30.09.2017 Rs 000 | BANK As at 31.12.2016 Audited Rs 000 | % Increase / (Decrease) | As at 30.09.2017 Rs 000 | GROUP As at 31.12.2016 Audited Rs 000 | % Increase / (Decrease) |
|---|-----------------------------------|--|----------------------------|-----------------------------------|---|----------------------------|
| ASSETS | | | | | | |
| Cash and cash equivalents | 20,248,891 | 17,511,446 | 16 | 20,016,824 | 18,668,703 | 7 |
| Balances with Central Bank of Sri Lanka | 36,538,694 | 33,777,614 | 8 | 36,538,694 | 33,777,614 | 8 |
| Placements with banks | 3,268,413 | 753,050 | 334 | 9,764,636 | 2,198,446 | 344 |
| Reverse repurchase agreements | 14,819,446 | 4,303,460 | 244 | 15,532,303 | 5,756,794 | 170 |
| Derivative financial instruments | 588,549 | 289,989 | 103 | 588,549 | 289,989 | 103 |
| Financial investments - Fair value through profit or loss | 170,550 | 544,915 | (69) | 318,495 | 716,009 | (56) |
| Loans and receivables to customers | 625,061,174 | 584,412,727 | 7 | 641,266,729 | 597,467,460 | 7 |
| Financial investments - Loans and receivables | 122,905,592 | 99,260,698 | 24 | 125,954,254 | 102,063,229 | 23 |
| Financial investments - Available-for-sale | 100,491,341 | 89,915,153 | 12 | 106,564,995 | 95,797,142 | 11 |
| Financial investments - Held-to-maturity | - | - | - | 1,391,266 | 465,081 | 199 |
| Investment in Joint Venture | 755,000 | 755,000 | - | 1,569,562 | 1,450,806 | 8 |
| Investments in Subsidiaries | 3,017,285 | 3,017,285 | - | - | - | - |
| Investment properties | 244,475 | 403,959 | (39) | 1,034,502 | 1,054,300 | (2) |
| Property, plant and equipment | 14,647,734 | 13,945,002 | 5 | 30,286,309 | 29,844,234 | 1 |
| Intangible assets and goodwill | 760,836 | 789,648 | (4) | 1,189,963 | 1,180,269 | 1 |
| Other assets | 9,829,345 | 9,193,879 | 7 | 11,744,026 | 10,720,506 | 10 |
| Total Assets | 953,347,325 | 858,873,825 | 11 | 1,003,761,107 | 901,450,582 | 11 |
| LIABILITIES | | | | | | |
| Due to banks | 67,555,713 | 69,928,789 | (3) | 67,632,179 | 69,964,380 | (3) |
| Derivative financial instruments | 1,629,591 | 665,890 | 145 | 1,629,591 | 665,890 | 145 |
| Securities sold under repurchase agreements | 5,163,485 | 13,458,127 | (62) | 5,163,485 | 13,458,127 | (62) |
| Due to customers | 699,900,588 | 623,494,969 | 12 | 715,760,593 | 635,371,097 | 13 |
| Dividends payable | 920,539 | 1,007,075 | (9) | 926,333 | 1,015,463 | (9) |
| Other borrowings | 27,084,496 | 27,130,358 | - | 27,089,533 | 27,130,358 | - |
| Debt securities issued | 4,593,699 | 4,653,057 | (1) | 5,081,361 | 5,115,801 | (1) |
| Current tax liabilities | 6,529,137 | 6,223,943 | 5 | 6,722,134 | 6,425,379 | 5 |
| Deferred tax liabilities | 1,023,122 | 231,364 | 342 | 1,508,241 | 824,778 | 83 |
| Insurance provision - life | - | - | - | 10,651,782 | 8,747,856 | 22 |
| Insurance provision - general | - | - | - | 2,507,017 | 1,921,567 | 30 |
| Other provisions | 2,997,509 | 3,158,444 | (5) | 3,342,265 | 3,407,050 | (2) |
| Other liabilities | 6,778,140 | 5,751,107 | 18 | 8,384,449 | 7,190,028 | 17 |
| Subordinated term debts | 25,967,672 | 26,153,476 | (1) | 25,732,317 | 25,901,110 | (1) |
| Total Liabilities | 850,143,691 | 781,856,599 | 9 | 882,131,280 | 807,138,884 | 9 |

| STATEMENT OF FINANCIAL POSITION | | | | | | |
|--|-------------------------------|--|-----------------------------|-------------------------------|---|-----------------------------|
| | As at 30.09.2017 Rs 000 | BANK As at 31.12.2016 Audited Rs 000 | % Increase / (Decrease) | As at 30.09.2017 Rs 000 | GROUP As at 31.12.2016 Audited Rs 000 | % Increase / (Decrease) |
| EQUITY | | | | | | |
| Stated capital | 31,398,140 | 15,340,158 | 105 | 31,398,140 | 15,340,158 | 105 |
| Statutory reserve | 4,560,000 | 4,560,000 | - | 4,560,000 | 4,560,000 | - |
| Retained earnings | 17,536,461 | 9,524,236 | 84 | 21,245,558 | 12,821,116 | 66 |
| Other reserves | 49,709,033 | 47,592,832 | 4 | 61,095,265 | 58,569,401 | 4 |
| Total equity attributable to equity holders of the Bank | 103,203,634 | 77,017,226 | 34 | 118,298,963 | 91,290,675 | 30 |
| Non - controlling interests | - | - | - | 3,330,864 | 3,021,023 | 10 |
| Total equity | 103,203,634 | 77,017,226 | 34 | 121,629,827 | 94,311,698 | 29 |
| Total Liabilities and equity | 953,347,325 | 858,873,825 | 11 | 1,003,761,107 | 901,450,582 | 11 |
| Contingent liabilities and commitments | 497,802,158 | 502,372,909 | (1) | 497,802,158 | 502,372,909 | (1) |
| Net Assets Value per Share (Rs.) | 211.27 | 186.11 | 14 | 242.17 | 220.60 | 10 |
| Memorandum Information | | | | | | |
| Number of Employees | 4,283 | 4,190 | | | | |
| Number of Branches | 252 | 251 | | | | |

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 2017 and its profit for the nine months ended 30th September 2017.

(Sgd.)

Anusha Gallage
Chief Financial Officer
08th November 2017

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
08th November 2017

(Sgd.)

Rienzie Arseculeratne
Chairman
08th November 2017

STATEMENT OF CHANGES IN EQUITY - BANK

| For the 9 months ended 30th September 2017 | Stated Capital | | Statutory Reserves | Other Reserves | | | | Retained Earnings Rs 000 | Total Equity Rs 000 |
|---|----------------|------------|--------------------|----------------|---------------|------------|----------|-----------------------------|------------------------|
| | Voting | Non-Voting | Reserve | Capital | Available for | General | ESOP | | |
| | Shares | Shares | Fund | Reserve | Sale Reserve | Reserve | Reserve | | |
| | Rs 000 | Rs 000 | Rs 000 | Rs 000 | Rs 000 | Rs 000 | Rs 000 | | |
| Balance as at 1st January 2017 | 12,338,734 | 3,001,424 | 4,560,000 | 8,644,483 | 1,701,257 | 37,100,000 | 147,092 | 9,524,236 | 77,017,226 |
| Total comprehensive income for the period | | | | | | | | | |
| Profit for the period | - | - | - | - | - | - | - | 10,897,402 | 10,897,402 |
| Other Comprehensive Income for the period (net of tax) | - | - | - | - | 2,167,172 | - | - | - | 2,167,172 |
| Total comprehensive income for the period | - | - | - | - | 2,167,172 | - | - | 10,897,402 | 13,064,574 |
| Transactions with equity holders, recognised directly in equity | | | | | | | | | |
| Final dividend 2016 - Scrip | 1,044,073 | 262,093 | - | - | - | - | - | (1,451,296) | (145,130) |
| Final dividend 2016 - Cash | - | - | - | - | - | - | - | (1,451,296) | (1,451,296) |
| Proceeds from right issue | 12,326,593 | 2,218,619 | - | - | - | - | - | - | 14,545,212 |
| Issue of shares under ESOP | 135,137 | 20,495 | - | - | - | - | - | - | 155,632 |
| Total transactions with equity holders | 13,505,803 | 2,501,207 | - | - | - | - | - | (2,902,592) | 13,104,418 |
| Transfers during the period | - | - | - | - | - | - | - | 17,415 | 17,415 |
| Fair value of the employee share options exercised | 44,605 | 6,367 | - | - | - | - | (50,972) | - | - |
| Balance as at 30th September 2017 | 25,889,142 | 5,508,998 | 4,560,000 | 8,644,483 | 3,868,429 | 37,100,000 | 96,120 | 17,536,461 | 103,203,634 |
| For the 9 months ended 30th September 2016 | | | | | | | | | |
| Balance as at 1st January 2016 | 11,110,689 | 2,716,184 | 3,760,000 | 6,435,410 | 4,455,566 | 31,100,000 | 202,356 | 5,270,848 | 65,051,053 |
| Total comprehensive income for the period | | | | | | | | | |
| Profit for the period | - | - | - | - | - | - | - | 10,097,310 | 10,097,310 |
| Other Comprehensive Income for the period (net of tax) | - | - | - | - | (1,653,309) | - | - | - | (1,653,309) |
| Total comprehensive income for the period | - | - | - | - | (1,653,309) | - | - | 10,097,310 | 8,444,001 |
| Transactions with equity holders, recognised directly in equity | | | | | | | | | |
| Final Dividend 2015 - Scrip | 1,022,474 | 256,607 | - | - | - | - | - | (1,421,200) | (142,119) |
| Final Dividend 2015 - Cash | - | - | - | - | - | - | - | (1,421,200) | (1,421,200) |
| Issue of shares under ESOP | 100,968 | 14,361 | - | - | - | - | - | - | 115,329 |
| Total transactions with equity holders | 1,123,442 | 270,968 | - | - | - | - | - | (2,842,400) | (1,447,990) |
| Fair value of the employee share options exercised | 30,920 | 4,471 | - | - | - | - | (35,391) | - | - |
| Balance as at 30th September 2016 | 12,265,051 | 2,991,623 | 3,760,000 | 6,435,410 | 2,802,257 | 31,100,000 | 166,965 | 12,525,758 | 72,047,064 |

STATEMENT OF CHANGES IN EQUITY - GROUP

| For the 9 months ended 30th September 2017 | Stated Capital | | Statutory Reserves | Other Reserves | | | | | | | |
|--|----------------|------------|--------------------|-----------------|----------------------------|-----------------|---------------------------------|--------------|-------------------|---------------------------|--------------|
| | Voting | Non-Voting | Reserve Fund | Capital Reserve | Available for Sale Reserve | General Reserve | Life policy holder Reserve fund | ESOP Reserve | Retained Earnings | Non Controlling Interests | Total Equity |
| | 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 2017 | 12,338,734 | 3,001,424 | 4,560,000 | 19,771,905 | 1,741,535 | 37,100,000 | (191,131) | 147,092 | 12,821,116 | 3,021,023 | 94,311,698 |
| Total comprehensive income for the period | | | | | | | | | | | |
| Profit for the period | - | - | - | - | - | - | - | - | 11,311,015 | 494,231 | 11,805,246 |
| Other Comprehensive Income for the period (net of tax) | - | - | - | - | 2,178,811 | - | - | - | (1,396) | 15,071 | 2,192,485 |
| Total comprehensive income for the period | - | - | - | - | 2,178,811 | - | - | - | 11,309,619 | 509,302 | 13,997,731 |
| Transactions with equity holders, recognised directly in equity | | | | | | | | | | | |
| Final dividend 2016 - Scrip | 1,044,073 | 262,093 | - | - | - | - | - | - | (1,451,296) | - | (145,130) |
| Final dividend 2016 - Cash | - | - | - | - | - | - | - | - | (1,451,296) | (199,461) | (1,650,757) |
| Proceeds from right issue | 12,326,593 | 2,218,619 | - | - | - | - | - | - | - | - | 14,545,212 |
| Issue of shares under ESOP | 135,137 | 20,495 | - | - | - | - | - | - | - | - | 155,632 |
| Total transactions with equity holders | 13,505,803 | 2,501,207 | - | - | - | - | - | - | (2,902,592) | (199,461) | 12,904,957 |
| Transfer from life policy holder reserve fund | - | - | - | - | - | - | 398,026 | - | - | - | 398,026 |
| Transfers during the period | - | - | - | - | - | - | - | - | 17,415 | - | 17,415 |
| Fair value of the employee share options exercised | 44,605 | 6,367 | - | - | - | - | - | (50,972) | - | - | - |
| Balance as at 30th September 2017 | 25,889,142 | 5,508,998 | 4,560,000 | 19,771,905 | 3,920,346 | 37,100,000 | 206,895 | 96,120 | 21,245,558 | 3,330,864 | 121,629,827 |
| For the 9 months ended 30th September 2016 | | | | | | | | | | | |
| Balance as at 1st January 2016 | 11,110,689 | 2,716,184 | 3,760,000 | 14,263,234 | 4,518,441 | 31,100,000 | (56,350) | 202,356 | 7,949,848 | 2,179,288 | 77,743,690 |
| Total comprehensive income for the period | | | | | | | | | | | |
| Profit for the period | - | - | - | - | - | - | - | - | 10,677,609 | 553,950 | 11,231,559 |
| Other Comprehensive Income for the period (net of tax) | - | - | - | - | (1,677,814) | - | - | - | 3,923 | 6,955 | (1,666,936) |
| Total comprehensive income for the period | - | - | - | - | (1,677,814) | - | - | - | 10,681,532 | 560,905 | 9,564,623 |
| Transactions with equity holders, recognised directly in equity | | | | | | | | | | | |
| Final Dividend 2015 - Scrip | 1,022,474 | 256,607 | - | - | - | - | - | - | (1,421,200) | - | (142,119) |
| Final Dividend 2015 - Cash | - | - | - | - | - | - | - | - | (1,421,200) | (149,407) | (1,570,607) |
| Deemed disposal loss through Joint Venture | - | - | - | - | - | - | - | - | (321) | - | (321) |
| Issue of shares under ESOP | 100,968 | 14,361 | - | - | - | - | - | - | - | - | 115,329 |
| Total transactions with equity holders | 1,123,442 | 270,968 | - | - | - | - | - | - | (2,842,721) | (149,407) | (1,597,718) |
| Transfer to life policy holder reserve fund | - | - | - | - | - | - | (1,665) | - | - | - | (1,665) |
| Fair value of the employee share options exercised | 30,920 | 4,471 | - | - | - | - | - | (35,391) | - | - | - |
| Balance as at 30th September 2016 | 12,265,051 | 2,991,623 | 3,760,000 | 14,263,234 | 2,840,627 | 31,100,000 | (58,015) | 166,965 | 15,788,659 | 2,590,786 | 85,708,930 |

STATEMENT OF CASH FLOWS

| | BANK | | GROUP | |
|--|---------------------|---------------------|---------------------|---------------------|
| For the 9 months ended 30th September | 2017 | 2016 | 2017 | 2016 |
| | Rs 000 | Rs 000 | Rs 000 | Rs 000 |
| Cash flows from operating activities | | | | |
| Interest and commission receipts | 75,854,264 | 55,772,654 | 81,920,159 | 60,500,107 |
| Interest payments | (40,923,348) | (26,577,415) | (42,102,734) | (27,307,206) |
| Cash payments to employees | (6,344,877) | (6,270,720) | (7,641,608) | (7,367,892) |
| Cash payments to other operating activities | (10,781,537) | (8,501,641) | (13,956,012) | (11,239,368) |
| Receipts from other operating activities | (104,123) | 824,644 | 4,793,714 | 5,125,647 |
| Recovery of loans written off in previous years | 25,292 | 22,536 | 25,292 | 22,536 |
| Operating profit before changes in operating assets and liabilities | 17,725,671 | 15,270,058 | 23,038,811 | 19,733,824 |
| (Increase)/ decrease in operating assets | | | | |
| Deposits held for regulatory or monetary control purpose | (2,761,080) | (12,585,593) | (2,761,080) | (12,585,593) |
| Loans and receivables to customers | (42,315,489) | (45,168,027) | (45,633,870) | (48,508,238) |
| Reverse repurchase agreements | (10,509,579) | 3,803,545 | (10,572,493) | 5,012,850 |
| Other short term assets | 154,478 | 830,183 | (194,566) | 61,559 |
| | (55,431,670) | (53,119,892) | (59,162,009) | (56,019,422) |
| Increase / (decrease) in operating liabilities | | | | |
| Deposits from customers | 74,861,785 | 51,908,465 | 78,741,778 | 53,995,833 |
| Securities sold under repurchase agreements | (8,016,853) | 12,193,832 | (8,016,853) | 12,193,832 |
| Other liabilities | 1,101,247 | 466,052 | 1,238,084 | 588,175 |
| | 67,946,179 | 64,568,349 | 71,963,009 | 66,777,840 |
| Net cash generated from operating activities before income tax | 30,240,180 | 26,718,515 | 35,839,811 | 30,492,242 |
| Income taxes paid | (3,658,164) | (2,819,489) | (4,199,527) | (3,256,399) |
| Net cash generated from operating activities | 26,582,016 | 23,899,026 | 31,640,284 | 27,235,843 |
| Cash flows from investing activities | | | | |
| Dividend income | 725,255 | 509,788 | 184,384 | 135,478 |
| Net proceeds from sale, maturity and purchase of financial investments | (31,444,550) | (38,181,650) | (31,896,847) | (40,463,051) |
| Investment in joint venture company | - | (100,000) | - | (100,000) |
| Purchase of property, plant and equipment | (1,185,680) | (776,507) | (1,381,637) | (920,812) |
| Purchase of intangible assets | (158,965) | (310,214) | (236,261) | (344,186) |
| Improvements to investment properties | (2,400) | (15,982) | (2,400) | (53,704) |
| Proceeds from sale of property, plant and equipment | 6,303 | 28,994 | 22,602 | 30,297 |
| Net cash used in investing activities | (32,060,037) | (38,845,571) | (33,310,159) | (41,715,978) |
| Cash flows from financing activities | | | | |
| Proceeds from rights issue | 14,545,212 | - | 14,545,212 | - |
| Proceeds from issue of shares under ESOP | 155,631 | 115,329 | 155,631 | 115,329 |
| Increase/ (decrease) in subordinated term debts | (500,000) | 7,000,000 | (490,500) | 6,750,000 |
| Increase/ (decrease) in long term borrowings | (1,803,292) | 10,665,509 | (1,757,380) | 10,655,455 |
| Dividends paid | (1,665,546) | (1,358,993) | (1,867,601) | (1,508,400) |
| Share issue expenses | (1,176) | - | (1,176) | - |
| Debenture issue expenses | - | (10,913) | - | (10,913) |
| Net cash generated from financing activities | 10,730,829 | 16,410,932 | 10,584,186 | 16,001,471 |
| Net increase in cash and cash equivalents | 5,252,808 | 1,464,387 | 8,914,311 | 1,521,336 |
| Cash and cash equivalents at the beginning of the period | 18,264,496 | 14,936,425 | 20,867,149 | 16,593,980 |
| Cash and cash equivalents at the end of the period | 23,517,304 | 16,400,812 | 29,781,460 | 18,115,316 |
| Cash and cash equivalents at the end of the period | | | | |
| Cash and cash equivalents | 20,248,891 | 16,400,812 | 20,016,824 | 16,812,215 |
| Placements with banks | 3,268,413 | - | 9,764,636 | 1,303,101 |
| | 23,517,304 | 16,400,812 | 29,781,460 | 18,115,316 |

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS - BANK

| As at 30th September 2017 | Fair Value Through Profit or Loss Rs 000 | Loans and Receivable Rs 000 | Available- for-sale Rs 000 | Total Carrying Amount Rs 000 |
|---|--|-----------------------------------|----------------------------------|------------------------------------|
| ASSETS | | | | |
| Cash and cash equivalents | - | 20,248,891 | - | 20,248,891 |
| Balances with Central Bank of Sri Lanka | - | 36,538,694 | - | 36,538,694 |
| Placements with banks | - | 3,268,413 | - | 3,268,413 |
| Reverse repurchase agreements | - | 14,819,446 | - | 14,819,446 |
| Derivative financial instruments | 588,549 | - | - | 588,549 |
| Financial investments - Fair value through profit or loss | 170,550 | - | - | 170,550 |
| Loans and receivables to customers | - | 625,061,174 | - | 625,061,174 |
| Financial investments - Loans and receivables | - | 122,905,592 | - | 122,905,592 |
| Financial investments - Available-for-sale | - | - | 100,491,341 | 100,491,341 |
| Other assets | - | 2,347,483 | - | 2,347,483 |
| Total financial assets | 759,099 | 825,189,693 | 100,491,341 | 926,440,133 |

| | Fair Value Through Profit or Loss Rs 000 | Loans and Receivable Rs 000 | Total Carrying Amount Rs 000 |
|---|--|-----------------------------------|------------------------------------|
| LIABILITIES | | | |
| Due to banks | - | 67,555,713 | 67,555,713 |
| Derivative financial instruments | 1,629,591 | - | 1,629,591 |
| Securities sold under repurchase agreements | - | 5,163,485 | 5,163,485 |
| Due to customers | - | 699,900,588 | 699,900,588 |
| Dividends payable | - | 920,539 | 920,539 |
| Other borrowings | - | 27,084,496 | 27,084,496 |
| Debt securities issued | - | 4,593,699 | 4,593,699 |
| Other liabilities | - | 36,027 | 36,027 |
| Subordinated term debts | - | 25,967,672 | 25,967,672 |
| Total financial liabilities | 1,629,591 | 831,222,219 | 832,851,810 |

| As at 31st December 2016 | Fair Value Through Profit or Loss Rs 000 | Loans and Receivable Rs 000 | Available- for-sale Rs 000 | Total Carrying Amount Rs 000 |
|---|--|-----------------------------------|----------------------------------|------------------------------------|
| ASSETS | | | | |
| Cash and cash equivalents | - | 17,511,446 | - | 17,511,446 |
| Balances with Central Bank of Sri Lanka | - | 33,777,614 | - | 33,777,614 |
| Placements with banks | - | 753,050 | - | 753,050 |
| Reverse repurchase agreements | - | 4,303,460 | - | 4,303,460 |
| Derivative financial instruments | 289,989 | - | - | 289,989 |
| Financial investments - Fair value through profit or loss | 544,915 | - | - | 544,915 |
| Loans and receivables to customers | - | 584,412,727 | - | 584,412,727 |
| Financial investments - Loans and receivables | - | 99,260,698 | - | 99,260,698 |
| Financial investments - Available for sale | - | - | 89,915,153 | 89,915,153 |
| Other assets | - | 2,308,521 | - | 2,308,521 |
| Total financial assets | 834,904 | 742,327,516 | 89,915,153 | 833,077,573 |

| | Fair Value Through Profit or Loss Rs 000 | Loans and Receivable Rs 000 | Total Carrying Amount Rs 000 |
|---|--|-----------------------------------|------------------------------------|
| LIABILITIES | | | |
| Due to banks | - | 69,928,789 | 69,928,789 |
| Derivative financial instruments | 665,890 | - | 665,890 |
| Securities sold under repurchase agreements | - | 13,458,127 | 13,458,127 |
| Due to customers | - | 623,494,969 | 623,494,969 |
| Dividends payable | - | 1,007,075 | 1,007,075 |
| Other borrowings | - | 27,130,358 | 27,130,358 |
| Debt securities issued | - | 4,653,057 | 4,653,057 |
| Other liabilities | - | 403,851 | 403,851 |
| Subordinated term debts | - | 26,153,476 | 26,153,476 |
| Total financial liabilities | 665,890 | 766,229,702 | 766,895,592 |

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS - GROUP

| As at 30th September 2017 | Fair Value Through Profit or Loss Rs 000 | Held to Maturity Rs 000 | Loans and Receivable Rs 000 | Available- for-sale Rs 000 | Total Carrying Amount Rs 000 |
|---|---|--|---|---|---|
| ASSETS | | | | | |
| Cash and cash equivalents | - | - | 20,016,824 | - | 20,016,824 |
| Balances with Central Bank of Sri Lanka | - | - | 36,538,694 | - | 36,538,694 |
| Placements with banks | - | - | 9,764,636 | - | 9,764,636 |
| Reverse repurchase agreements | - | - | 15,532,303 | - | 15,532,303 |
| Derivative financial instruments | 588,549 | - | - | - | 588,549 |
| Financial investments - fair value through profit or loss | 318,495 | - | - | - | 318,495 |
| Loans and receivables to customers | - | - | 641,266,729 | - | 641,266,729 |
| Financial investments - loans and receivables | - | - | 125,954,254 | - | 125,954,254 |
| Financial investments - available-for-sale | - | - | - | 106,564,995 | 106,564,995 |
| Financial investments - held to maturity | - | 1,391,266 | - | - | 1,391,266 |
| Other assets | - | - | 3,419,504 | - | 3,419,504 |
| Total financial assets | 907,044 | 1,391,266 | 852,492,944 | 106,564,995 | 961,356,249 |
| | Fair Value Through Profit or Loss Rs 000 | Loans and Receivable Rs 000 | Total Carrying Amount Rs 000 | | |
| LIABILITIES | | | | | |
| Due to banks | - | 67,632,179 | 67,632,179 | | |
| Derivative financial instruments | 1,629,591 | - | 1,629,591 | | |
| Securities sold under repurchase agreements | - | 5,163,485 | 5,163,485 | | |
| Due to customers | - | 715,760,593 | 715,760,593 | | |
| Dividends payable | - | 926,333 | 926,333 | | |
| Other borrowings | - | 27,089,533 | 27,089,533 | | |
| Debt securities issued | - | 5,081,361 | 5,081,361 | | |
| Other liabilities | - | 1,196,121 | 1,196,121 | | |
| Subordinated term debts | - | 25,732,317 | 25,732,317 | | |
| Total financial liabilities | 1,629,591 | 848,581,922 | 850,211,513 | | |
| As at 31st December 2016 | Fair Value Through Profit or Loss Rs 000 | Held to Maturity Rs 000 | Loans and Receivable Rs 000 | Available- for-sale Rs 000 | Total Carrying Amount Rs 000 |
| ASSETS | | | | | |
| Cash and cash equivalents | - | - | 18,668,703 | - | 18,668,703 |
| Balances with Central Bank of Sri Lanka | - | - | 33,777,614 | - | 33,777,614 |
| Placements with banks | - | - | 2,198,446 | - | 2,198,446 |
| Reverse repurchase agreements | - | - | 5,756,794 | - | 5,756,794 |
| Derivative financial instruments | 289,989 | - | - | - | 289,989 |
| Financial investments - fair value through profit or loss | 716,009 | - | - | - | 716,009 |
| Loans and receivables to customers | - | - | 597,467,460 | - | 597,467,460 |
| Financial investments - loans and receivables | - | - | 102,063,229 | - | 102,063,229 |
| Financial investments - available for sale | - | - | - | 95,797,142 | 95,797,142 |
| Financial investments - held to maturity | - | 465,081 | - | - | 465,081 |
| Other assets | - | - | 3,175,431 | - | 3,175,431 |
| Total financial assets | 1,005,998 | 465,081 | 763,107,677 | 95,797,142 | 860,375,898 |
| | Fair Value Through Profit or Loss Rs 000 | Loans and Receivable Rs 000 | Total Carrying Amount Rs 000 | | |
| LIABILITIES | | | | | |
| Due to banks | - | 69,964,380 | 69,964,380 | | |
| Derivative financial instruments | 665,890 | - | 665,890 | | |
| Securities sold under repurchase agreements | - | 13,458,127 | 13,458,127 | | |
| Due to customers | - | 635,371,097 | 635,371,097 | | |
| Dividends payable | - | 1,015,463 | 1,015,463 | | |
| Other borrowings | - | 27,130,358 | 27,130,358 | | |
| Debt securities issued | - | 5,115,801 | 5,115,801 | | |
| Other liabilities | - | 1,295,848 | 1,295,848 | | |
| Subordinated term debts | - | 25,901,110 | 25,901,110 | | |
| Total financial liabilities | 665,890 | 779,252,184 | 779,918,074 | | |

SEGMENT REPORTING

| | Banking | | Leasing and Hirepurchase | | Property | | Insurance | | Others* | | Elimination /unallocated | | Consolidated | |
|---|----------------|----------------|--------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------------------|----------------|----------------|----------------|
| For the 9 months ended 30th September | 2017 Rs 000 | 2016 Rs 000 | 2017 Rs 000 | 2016 Rs 000 | 2017 Rs 000 | 2016 Rs 000 | 2017 Rs 000 | 2016 Rs 000 | 2017 Rs 000 | 2016 Rs 000 | 2017 Rs 000 | 2016 Rs 000 | 2017 Rs 000 | 2016 Rs 000 |
| Total revenue from external customers | 73,746,534 | 56,122,305 | 4,113,087 | 3,545,172 | 160,937 | 147,278 | 5,950,868 | 4,950,225 | 5,163,404 | 4,019,277 | (540,871) | (386,861) | 88,593,959 | 68,397,396 |
| Inter segment revenue | 100,390 | 65,818 | - | - | 574,254 | 551,976 | 80,828 | 102,009 | 113,854 | 24,000 | (869,326) | (743,803) | - | - |
| Total revenue | 73,846,924 | 56,188,123 | 4,113,087 | 3,545,172 | 735,191 | 699,254 | 6,031,696 | 5,052,234 | 5,277,258 | 4,043,277 | (1,410,197) | (1,130,664) | 88,593,959 | 68,397,396 |
| Segment result | 13,466,480 | 12,878,412 | 2,768,231 | 2,375,689 | 584,221 | 535,850 | 360,493 | 194,083 | 1,214,536 | 1,453,298 | (592,017) | (425,188) | 17,801,944 | 17,012,144 |
| Unallocated expenses | | | | | | | | | | | | | (1,169,739) | (1,029,026) |
| Profit from operations | | | | | | | | | | | | | 16,632,205 | 15,983,118 |
| Income from Associates and Joint Venture | | | | | | | | | | | | | 132,597 | 140,020 |
| Taxes | | | | | | | | | | | | | (4,959,556) | (4,891,579) |
| Profit for the period | | | | | | | | | | | | | 11,805,246 | 11,231,559 |
| Non Controlling Interest | | | | | | | | | | | | | (494,231) | (553,950) |
| Profit attributable to the Equity holders of the Bank | | | | | | | | | | | | | 11,311,015 | 10,677,609 |
| Profit for the period | | | | | | | | | | | | | 11,805,246 | 11,231,559 |
| Other comprehensive Income,Net of tax | 2,167,172 | (1,653,309) | - | - | - | - | 42,466 | 3,936 | (3,312) | 9,304 | (13,841) | (26,867) | 2,192,485 | (1,666,936) |
| Total Comprehensive income for the period | | | | | | | | | | | | | 13,997,731 | 9,564,623 |
| Non Controlling Interest | | | | | | | | | | | | | (509,302) | (560,905) |
| Total comprehensive income attributable to the Equity Holders of the Bank | - | - | - | - | - | - | - | - | - | - | - | - | 13,488,429 | 9,003,718 |
| Total assets | 911,361,464 | 777,867,654 | 41,985,861 | 40,689,238 | 10,341,774 | 10,389,130 | 17,605,031 | 13,762,982 | 25,046,269 | 16,296,154 | (2,579,292) | (2,768,381) | 1,003,761,107 | 856,236,777 |
| Total liabilities | 808,157,833 | 705,820,590 | 41,985,861 | 40,689,238 | 649,303 | 618,136 | 14,435,563 | 11,470,874 | 21,169,431 | 13,419,301 | (4,266,711) | (1,490,292) | 882,131,280 | 770,527,847 |
| Cash flow from operating activities | 27,604,929 | 25,640,492 | (1,022,913) | (1,741,466) | 611,908 | 288,134 | 1,188,956 | 844,812 | 4,184,945 | (989,979) | (927,541) | 3,193,850 | 31,640,284 | 27,235,843 |
| Cash flow from Investing activities | (32,060,037) | (38,845,571) | - | - | (36,889) | (25,989) | (1,301,717) | (804,951) | (4,548,499) | 856,818 | 4,636,983 | (2,896,285) | (33,310,159) | (41,715,978) |
| Cash flow from financing activities | 10,730,829 | 16,410,932 | - | - | (340,000) | (260,000) | (250,000) | (100,000) | (216,200) | (16,595) | 659,557 | (32,866) | 10,584,186 | 16,001,471 |

* Business of HNB Grameen Finance Ltd.

EXPLANATORY NOTES

- There are no changes in accounting policies and methods of computation since the publication of annual accounts for the year 2016.
- 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.
- 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.
- Where required, figures on the audited annual financial statements have been reclassified to conform to Central Bank of Sri Lanka publication requirements.
- Details of Employee Share Option Plan (ESOP)

| | 2012 Allocation* | | 2013 Allocation** | |
|--|------------------|------------|-------------------|------------|
| | Voting | Non-voting | Voting | Non-voting |
| No of options brought forward | 432,522 | 82,151 | 1,093,810 | 245,092 |
| No of additional options granted in 2017 due to scrip dividend announced in 2016 | 16,022 | 3,057 | 23,559 | 5,819 |
| No of additional options granted in 2017 due to scrip dividend announced in 2017 | - | - | 9,839 | 2,493 |
| No of options exercised during the period | (337,621) | (61,984) | (604,313) | (140,380) |
| No of options expired during the period | (110,923) | (23,224) | (486) | (108) |
| No of options remaining | - | - | 522,409 | 112,916 |
| Allotment price (Rs) | 145.79 | 81.43 | 142.17 | 110.04 |
| Average market price for the period ended 30th September 2017 (Rs) | 231.47 | 192.03 | 231.47 | 192.03 |

*These options were allocated on 30th March 2012 and the retention period ended on 30th March 2013. The remaining options expired on 30th March 2017. Further, the additional options that were granted based on the scrip dividend declared for the year ended 31st December 2015 pertaining to 2012 allotment (3rd allotment) expired on 31st August 2017.

**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.

- 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.
- 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 note to the financial statements.
- The funds raised through debentures were fully utilized for the objectives mentioned in the prospectuses.
- At the Extra Ordinary General Meeting held on 5th July 2017, shareholders approved the resolution to issue 56,029,966 voting shares and 14,093,547 non-voting shares by way of a rights issue to the existing shareholders of the Bank in the proportion of one new ordinary share for every six ordinary shares (1 : 6) held as at the end of trading on 5th July 2017. These shares were to be issued at an issue price of Rs 220/- per each ordinary voting share and at an issue price of Rs 190/- per each ordinary non-voting share.

Accordingly, Bank raised Rs 14.5 Bn through the issue of 56,029,966 voting shares and 11,676,947 non-voting shares. The position of the funds raised through the rights issue is as follows.

| Objective number | Objective as per circular | Amount allocated as per circular (Rs Bn) | Proposed date of utilisation as per circular | Amount allocated from proceeds (Rs Bn) A | % of total proceeds | Amount utilised (Rs Bn) B | % utilised against allocation (B/A) | Clarification, if not fully utilised |
|------------------|---|--|--|--|---------------------|---------------------------|-------------------------------------|--------------------------------------|
| 1. | Improve the capital base of the Bank | 15.0 | Immediate | 14.5 | 100% | 14.5 | 100% | - |
| 2. | Strengthen the balance sheet to support the growing demand for credit | 15.0 | August 2018 | 14.5 | 100% | 14.5 | 100% | - |

- 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 above.

SELECTED PERFORMANCE INDICATORS (AS PER REGULATORY REPORTING)

| | As at 30.09.2017 | As at 31.12.2016 | As at 30.09.2017 | As at 31.12.2016 |
|--|---------------------|---------------------|---------------------|---------------------|
| | BANK | | GROUP | |
| BASEL III | | | | |
| Regulatory Capital | | | | |
| Common Equity Tier 1 (Rs. Mn) | 83,501 | N/A | 91,085 | N/A |
| Tier 1 Capital | 83,501 | N/A | 91,085 | N/A |
| Total Capital | 106,208 | N/A | 113,643 | N/A |
| Regulatory Capital Ratios (%) | | | | |
| Common Equity Tier 1 Capital Ratio (Minimum Requirement - 6.25%) | 12.91% | N/A | 13.07% | N/A |
| Tier 1 Capital Ratio (Minimum Requirement - 7.75%) | 12.91% | N/A | 13.07% | N/A |
| Total Capital Ratio (Minimum Requirement - 11.75%) | 16.42% | N/A | 16.30% | N/A |
| BASEL II | | | | |
| Regulatory Capital (Rs. Mn) | | | | |
| Core capital (Tier 1 Capital) | N/A | 65,082 | N/A | 71,295 |
| Total Capital Base | N/A | 88,569 | N/A | 95,199 |
| Regulatory Capital Ratios (% of Risk Weighted Assets) | | | | |
| Core capital adequacy Ratio (Minimum Requirement, 5%) | N/A | 11.22% | N/A | 11.51% |
| Total capital adequacy Ratio (Minimum Requirement, 10%) | N/A | 15.27% | N/A | 15.37% |

Basel III new guidelines were implemented w.e.f. 01st July 2017.

| | 30.09.2017 | 31.12.2016 |
|---|------------|------------|
| | BANK | |
| Assets Quality (Quality of Loan Portfolio) | | |
| Gross Non-Performing Advances Ratio,% (net of Interest in Suspense) | 2.64% | 1.80% |
| Net Non-Performing Advances Ratio,% (net of Interest in Suspense and provisions) | 1.23% | 0.46% |
| Profitability (Annualised) | | |
| Interest Margin, % | 4.34% | 4.26% |
| Return on Assets (before Tax), % | 2.26% | 2.49% |
| Return on Equity, % | 16.96% | 20.24% |
| Regulatory Liquidity | | |
| Statutory Liquid Assets, Rs. Mn | | |
| Domestic Banking unit | 191,408 | 159,581 |
| Off-Shore Banking Unit | 33,911 | 16,786 |
| Statutory Liquid Assets Ratio (Minimum requirement 20%) | | |
| Domestic Banking unit | 24.93% | 23.49% |
| Off-Shore Banking Unit | 39.12% | 26.46% |
| Liquidity Coverage Ratio (%) - Rupee (Minimum Requirement - 2017 - 80%, 2016 - 70%) | 171.12% | 176.48% |
| Liquidity Coverage Ratio (%) - All Currency (Minimum Requirement - 2017 - 80%, 2016 - 70%) | 110.20% | 118.45% |

LISTED DEBENTURE INFORMATION

| Quarter ended 30th September | Market Value | | | | Last Traded | | Interest Yield as at Last Trade Done (%) | | |
|----------------------------------|----------------|---------------|----------------|---------------|-------------|-------|--|-------|--|
| | 2017 | | 2016 | | 2017 | 2016 | | | |
| | Highest Rs. | Lowest Rs. | Highest Rs. | Lowest Rs. | Rs. | Rs. | 2017 | 2016 | |
| HNB DEBENTURES 2006 | | | | | | | | | |
| 15 year Fixed Rate (11.00% p.a.) | N/T | N/T | N/T | N/T | N/T | N/T | N/T | N/T | |
| 18 year Fixed Rate (11.25% p.a.) | N/T | N/T | N/T | N/T | N/T | N/T | N/T | N/T | |
| HNB DEBENTURES 2007 | | | | | | | | | |
| 10 year Fixed Rate (16.00% p.a.) | N/T | N/T | N/T | N/T | N/T | N/T | N/T | N/T | |
| 15 year Fixed Rate (16.75% p.a.) | N/T | N/T | N/T | N/T | N/T | N/T | N/T | N/T | |
| HNB DEBENTURES 2011 | | | | | | | | | |
| 10 year Fixed Rate (11.50% p.a.) | N/T | N/T | N/T | N/T | N/T | N/T | N/T | N/T | |
| HNB DEBENTURES 2013 | | | | | | | | | |
| 5 year Fixed Rate (14.00% p.a.) | N/T | N/T | N/T | N/T | N/T | N/T | N/T | N/T | |
| 10 year Fixed Rate (14.25% p.a.) | N/T | N/T | N/T | N/T | N/T | N/T | N/T | N/T | |
| HNB DEBENTURES 2014 | | | | | | | | | |
| 3 year Fixed Rate (6.88% p.a.) | N/T | N/T | 94.50 | 94.50 | N/T | 94.50 | N/T | 7.28 | |
| 5 year Fixed Rate (7.75% p.a.) | N/T | N/T | N/T | N/T | N/T | N/T | N/T | N/T | |
| 10 year Fixed Rate (8.33% p.a.) | N/T | N/T | N/T | N/T | N/T | N/T | N/T | N/T | |
| HNB DEBENTURES 2016 | | | | | | | | | |
| 5 year Fixed Rate (11.25% p.a.) | 89.40 | 87.50 | 93.40 | 91.00 | 88.00 | 91.00 | 12.78 | 12.36 | |
| 5 year Fixed Rate (11.75% p.a.) | N/T | N/T | N/T | N/T | N/T | N/T | N/T | N/T | |
| 7 year Fixed Rate (13.00% p.a.) | 99.85 | 99.85 | N/T | N/T | 99.85 | N/T | 13.02 | N/T | |

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

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

| Yield to Maturity of Last Trade Done (% p.a.) | | |
|---|-------|-------|
| Quarter ended 30th September | 2017 | 2016 |
| 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 (6.88% p.a.) | N/T | 11.59 |
| 5 year Fixed Rate (7.75% p.a.) | N/T | N/T |
| 10 year Fixed Rate (8.33% p.a.) | N/T | N/T |
| HNB DEBENTURES 2016 | | |
| 5 year Fixed Rate (11.25% p.a.) | 15.90 | 14.02 |
| 5 year Fixed Rate (11.75% p.a.) | N/T | N/T |
| 7 year Fixed Rate (13.00% p.a.) | 13.00 | N/T |

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

| RATIOS OF DEBT | | |
|--|------------|------------|
| | 30.09.2017 | 31.12.2016 |
| Debt Equity Ratio (%) | 93.64 | 119.84 |
| | 30.09.2017 | 30.09.2016 |
| Interest Cover (Times) | 4.25 | 5.14 |
| | 30.09.2017 | 30.09.2016 |
| Yield of Comparable Govt. Security for the following HNB Debentures (% p.a.) | | |
| 2006 series 15 year maturity | 10.87 | 12.18 |
| 2006 series 18 year maturity | 11.23 | 12.59 |
| 2007 series 10 year maturity | N/A | 11.13 |
| 2007 series 15 year maturity | 11.12 | 12.48 |
| 2011 series 10 year maturity | 11.05 | 12.39 |
| 2013 series 5 year maturity | 9.23 | 10.42 |
| 2013 series 10 year maturity | 10.00 | 11.41 |
| 2014 series 3 year maturity | 8.51 | 10.21 |
| 2014 series 5 year maturity | 9.43 | 10.88 |
| 2014 series 10 year maturity | 10.13 | 11.52 |
| 2016 series 5 year maturity | 9.79 | 10.97 |
| 2016 series 5 year maturity | 9.94 | N/A |
| 2016 series 7 year maturity | 10.10 | N/A |

SHARE INFORMATION

| As at | 30-Sep-17 | 31-Dec-16 |
|------------------------------------|-------------|-------------|
| Number of Shares | | |
| Voting | 392,248,479 | 330,756,782 |
| Non-voting | 96,248,465 | 83,058,692 |
| Last Traded Price per Share | | |
| Voting (Rs.) | 235.00 | 225.00 |
| Non-voting (Rs.) | 190.30 | 190.00 |

| For the Quarter Ended | 30-Sep-17 | 30-Sep-16 |
|--------------------------------|-----------|-----------|
| Highest Price per Share | | |
| Voting (Rs.) | 244.50 | 228.00 |
| Non-voting (Rs.) | 198.90 | 194.00 |
| Lowest Price per Share | | |
| Voting (Rs.) | 220.00 | 206.00 |
| Non-voting (Rs.) | 185.00 | 170.00 |

PUBLIC SHARE HOLDING PERCENTAGE

| As at | 30-Sep-17 |
|------------|-------------|
| Voting | 61% approx. |
| Non-voting | 99% approx. |

NUMBER OF PUBLIC SHAREHOLDERS

| As at | 30-Sep-17 |
|------------|-----------|
| Voting | 4,540 |
| Non-voting | 10,315 |

DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S SHARE HOLDING

| | Number of shares | |
|------------------------------|------------------|-----------|
| | 30-Sep-17 | 31-Dec-16 |
| 1. Mr. Rienzie Arseculeratne | 11,825 | - |
| 2. Mr. A.J. Alles * | 122,542 | 101,959 |
| 3. Ms. M.A.R.C. Cooray | 5,489 | 5,404 |
| 4. Dr. L.R. Karunaratne | 1,048 | 1,034 |
| 5. Mr. L.U.D. Fernando ** | N/A | 517 |
| 6. Mr. D.T.S.H. Mudalige | - | - |
| 7. Miss. D.S.C. Jayawardena | 514 | 508 |
| 8. Mr. R.S. Captain | 7,218 | 6,104 |
| 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 | 101 | 100 |
| 13. Mr. D.S. Weerakkody*** | 2,031 | N/A |

* Chief Executive Officer

** Resigned w.e.f 03.04.2017

*** Appointed w.e.f. 29.06.2017

20 MAJOR SHAREHOLDERS (VOTING) AS AT 30TH SEPTEMBER 2017

| | Name | No. of shares | % on Voting capital |
|-----|--|---------------|---------------------|
| 1. | Employees Provident Fund | 38,259,574 | 9.75 |
| 2. | Sri Lanka Insurance Corporation Ltd-Life Fund | 32,451,260 | 8.27 |
| 3. | Milford Exports (Ceylon) (Pvt) Limited | 31,039,075 | *7.94 |
| 4. | Stassen Exports (Pvt) Limited | 26,903,640 | *6.86 |
| 5. | Mr. S.E. Captain | 25,555,023 | 6.89 |
| 6. | HSBC Intl Nominees Ltd-JPMLU-Franklin Templeton Investment Funds | 23,499,284 | 5.99 |
| 7. | Sonetto Holdings Limited | 19,292,233 | 4.92 |
| 8. | Sri Lanka Insurance Corporation Ltd-General Fund | 16,616,599 | 4.24 |
| 9. | Distilleries Company of Sri Lanka Plc | 12,037,030 | *3.08 |
| 10. | National Savings Bank | 11,262,707 | 2.87 |
| 11. | Standard Chartered Bank Singapore S/A HL Bank Singapore Branch | 7,415,007 | 1.89 |
| 12. | BNYM SANV Re-CF Ruffer Total Return Fund | 6,174,926 | 1.57 |
| 13. | Ms. L.A. Captain | 5,796,589 | 1.48 |
| 14. | RBC Investor Services Bank-Coeli sicav i- Frontier Markets Fund | 4,306,554 | 1.10 |
| 15. | BNYM SANV Re-CF Ruffer Absolute Return Fund | 4,144,792 | 1.06 |
| 16. | Citibank Newyork S/A Norges Bank Account 2 | 3,963,663 | 0.93 |
| 17. | HSBC Intl Nominees Ltd-JPMLU-T Rowe Price Funds Sicav | 3,569,895 | 0.88 |
| 18. | HSBC International Nominees Ltd-JPMCB-Templeton Global Investment Trust-Templeton Emerging Markets s | 3,372,511 | 0.86 |
| 19. | Mrs. C.S. De Fonseka | 3,337,632 | 0.85 |
| 20. | BNYM SANV Re-Magna Umbrella Fund Plc | 3,318,658 | 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 17.88% 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 2017

| | Name | No. of shares | % on Non-voting capital |
|-----|---|---------------|-------------------------|
| 1. | HSBC Intl Nom Ltd-UBS AG Zurich | 8,535,961 | 8.87 |
| 2. | Citibank Newyork S/A Norges Bank Account 2 | 8,128,041 | 8.44 |
| 3. | HSBC Intl nominees Ltd-JPMLU-Franklin Templeton Investment Funds | 6,945,406 | 7.22 |
| 4. | BNYM SANV Re-Frontaura global frontier fund llc | 4,408,152 | 4.58 |
| 5. | BNYM SANV Re-neon liberty lorikeet master fund lp | 3,387,027 | 3.52 |
| 6. | BNYM SANV Re-CF Ruffer total return fund | 3,083,010 | 3.20 |
| 7. | Akbar Brothers Pvt Ltd a/c no 1 | 3,028,510 | 3.15 |
| 8. | BNYM SANV Re-CF Ruffer absolute return fund | 2,053,685 | 2.13 |
| 9. | CB Europe plc lux s/a Dunross and co ab | 2,000,000 | 2.08 |
| 10. | Mr. S.E. Captain | 1,491,069 | 1.55 |
| 11. | Union Assurance plc/no-01a/c | 1,481,851 | 1.54 |
| 12. | Rubber Investment trust limited a/c # 01 | 1,403,493 | 1.46 |
| 13. | Bnymsanv re-cf ruffer investment funds :CF Ruffer Pacific fund | 1,219,065 | 1.27 |
| 14. | Mr. J.D. Bandaranayake | 1,129,168 | 1.17 |
| 15. | Employees Trust Fund Board | 1,078,150 | 1.12 |
| 16. | Deutsche Bank AG as trustee for JB Vantage value equity fund | 1,024,312 | 1.06 |
| 17. | Union assurance plc/account no.05 (unit-linked life insurance fund-equity fund) | 967,683 | 1.01 |
| 18. | The ceylon guardian investment trust plc a/c # 02 | 889,795 | 0.92 |
| 19. | The ceylon investment plc a/c # 02 | 727,884 | 0.76 |
| 20. | Hatton national bank plc a/c no 2 | 692,934 | 0.72 |

NOTES TO THE FINANCIAL STATEMENTS

| As at | BANK | | GROUP | |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| | 30.09.2017 Rs 000 | 31.12.2016 Rs 000 | 30.09.2017 Rs 000 | 31.12.2016 Rs 000 |
| 1) Loans and Receivables to Customers | | | | |
| Gross loans and receivables | 637,826,261 | 595,513,919 | 654,590,953 | 608,965,683 |
| Less : Individual impairment | (4,146,828) | (3,366,278) | (4,146,828) | (3,366,278) |
| Collective impairment | (8,618,259) | (7,734,914) | (9,177,396) | (8,131,945) |
| Net loans and receivables | 625,061,174 | 584,412,727 | 641,266,729 | 597,467,460 |
| 2) Loans and Receivables to Customers - By product | | | | |
| By product-Domestic Currency | | | | |
| Overdrafts | 105,734,889 | 90,479,762 | 105,723,091 | 90,471,621 |
| Bills of exchange | 916,614 | 875,321 | 916,614 | 875,321 |
| Commercial papers | 154,241 | 153,972 | 154,241 | 153,972 |
| Short term loans | 44,706,924 | 56,342,739 | 44,856,060 | 56,462,680 |
| Credit Cards | 6,949,217 | 6,061,567 | 6,949,217 | 6,061,567 |
| Trust receipts | 29,035,319 | 22,529,322 | 29,035,319 | 22,529,322 |
| Packing credit loans | 475,778 | 360,888 | 475,778 | 360,888 |
| Staff loans | 11,953,824 | 11,430,637 | 12,631,371 | 11,975,374 |
| Term loans | 273,677,313 | 249,690,118 | 286,561,427 | 261,318,923 |
| Lease rentals receivable | 43,046,635 | 42,517,424 | 46,112,328 | 43,683,846 |
| Housing loans | 33,054,382 | 32,657,439 | 33,054,382 | 32,657,439 |
| Pawning advances | 14,828,471 | 14,010,152 | 14,828,471 | 14,010,152 |
| Securitized notes | 590,535 | 179,359 | 590,535 | 179,359 |
| Sub total | 565,124,142 | 527,288,700 | 581,888,834 | 540,740,464 |
| By product-Foreign Currency | | | | |
| Overdrafts | 779,796 | 613,418 | 779,796 | 613,418 |
| Bills of exchange | 2,100,344 | 2,038,299 | 2,100,344 | 2,038,299 |
| Short term loans | 3,412,258 | 4,219,372 | 3,412,258 | 4,219,372 |
| Trust receipts | 2,542,503 | 2,356,391 | 2,542,503 | 2,356,391 |
| Packing credit loans | 13,200,724 | 10,532,884 | 13,200,724 | 10,532,884 |
| Term loans | 48,961,808 | 47,051,799 | 48,961,808 | 47,051,799 |
| Lease rentals receivable | 95,168 | 104,476 | 95,168 | 104,476 |
| Housing loans | 1,609,518 | 1,308,580 | 1,609,518 | 1,308,580 |
| Sub total | 72,702,119 | 68,225,219 | 72,702,119 | 68,225,219 |
| Total | 637,826,261 | 595,513,919 | 654,590,953 | 608,965,683 |
| 3) Movements in Individual and Collective Impairment during the period for Loans and Receivables to Customers | 2017 Rs 000 | 2016 Rs 000 | 2017 Rs 000 | 2016 Rs 000 |
| Individual impairment | | | | |
| Opening balance at 01st January | 3,366,278 | 3,345,714 | 3,366,278 | 3,450,410 |
| Charge/(Write back) to income statement | 977,434 | (19,260) | 977,434 | (19,260) |
| Amounts written off | (196,884) | - | (196,884) | - |
| Closing balance as at 30th September | 4,146,828 | 3,326,454 | 4,146,828 | 3,431,150 |
| Collective impairment | | | | |
| Opening balance at 01st January | 7,734,914 | 7,838,125 | 8,131,951 | 7,894,438 |
| Charge/(Write back) to income statement | 1,306,919 | 149,491 | 1,469,019 | 260,474 |
| Amounts written off | (423,574) | (777) | (423,574) | (777) |
| Closing balance as at 30th September | 8,618,259 | 7,986,839 | 9,177,396 | 8,154,135 |
| Total impairment | 12,765,087 | 11,313,293 | 13,324,224 | 11,585,285 |
| As at | 30.09.2017 Rs 000 | 31.12.2016 Rs 000 | 30.09.2017 Rs 000 | 31.12.2016 Rs 000 |
| 4) Due to Customers - By product | | | | |
| By product-Domestic Currency | | | | |
| Current account deposits | 35,142,169 | 34,256,113 | 34,323,425 | 33,973,012 |
| Savings deposits | 176,770,241 | 159,484,011 | 179,084,465 | 160,860,604 |
| Time deposits | 364,224,581 | 325,957,667 | 378,654,314 | 336,798,439 |
| Certificates of deposit | 961,221 | 957,804 | 961,221 | 957,804 |
| Margin deposits | 1,475,095 | 1,513,014 | 1,475,095 | 1,513,014 |
| Sub total | 578,573,307 | 522,168,609 | 594,498,520 | 534,102,873 |
| By product- Foreign Currency | | | | |
| Current account deposits | 2,289,665 | 2,419,687 | 2,289,665 | 2,419,687 |
| Savings deposits | 32,959,805 | 29,361,173 | 32,937,520 | 29,351,297 |
| Time deposits | 86,052,992 | 69,524,852 | 86,010,069 | 69,476,592 |
| Margin deposits | 24,819 | 20,648 | 24,819 | 20,648 |
| Sub total | 121,327,281 | 101,326,360 | 121,262,073 | 101,268,224 |
| Total | 699,900,588 | 623,494,969 | 715,760,593 | 635,371,097 |