



YOUR PARTNER IN PROGRESS

Interim Financial Statements

For the nine months ended 30th September 2022

FINANCIAL COMMENTARY FOR THE 09 MONTHS ENDED 30TH SEPTEMBER 2022

- Total operating income doubles to Rs 100 Bn
- Impairment for first nine months exceeds Rs 60 Bn
- Local currency deposits grow by Rs 146 Bn
- Tier I capital ratio and total capital ratio at 11.31% and 14.36%, respectively
- Liquidity coverage ratio at 218.5%

Hatton National Bank PLC posted a profit before tax of Rs 12.4 Bn and profit after tax of Rs 10.5 Bn during the nine-months ended September 2022 while the group recorded a profit after tax of Rs 11.6 Bn.

The interest income of the Bank grew by 86% to Rs 134.9 Bn, primarily due to an increase of over 12 percentage points in average AWPLR during the period, in line with tight monetary policy measures adopted by the Central Bank. Accordingly, the net interest income of the Bank increased by 100% YoY to Rs 71.1 Bn in the first nine months up to September 2022.

The net fee income recorded a growth of 65% YoY to Rs 11.0 Bn largely due to higher trade and card income, compared to a subdued 2021. In addition, the Rupee devaluation by over 80% during the period resulted in an exceptional exchange income of Rs 16.8 Bn.

The 110% increase in total operating income to Rs 99.7 Bn was negated by the 438% increase in total impairment charge to Rs 60.3 Bn for the nine months. This included an impairment charge of Rs 41 Bn on account of the investments in foreign currency denominated government securities held by the Bank. The net stage III ratio of the Bank increased to 3.34% from 2.55% as at end of December 2021 as a result of the stressed market conditions, and the Bank recognized an impairment of Rs 19.3 Bn on account of loans and advances compared to Rs 9.9 Bn in the previous year.

HNB managed to curtail the increase in operational expenses at 27% YoY in the backdrop of a 70% YoY inflation and an 80% depreciation in the Rupee. The cost to income ratio improved to 22.9% for the nine-month period which is an improvement of 15 percentage points compared to the corresponding period of the previous year, supported by the significant growth in net income.

The Bank's asset base expanded by 20.2% to Rs 1.6 Tn during the nine months up to September 2022 while gross loans and advances rose by 13.1% to Rs 1.1 Tn. Total deposits recorded a growth of 25.1% to Rs 1.3 Tn during the nine-month period. HNB's local currency deposits grew by 17.3% to Rs 993 Bn while the overall balance sheet growth was partly impacted by the significant devaluation of the currency.

Bank's Tier I capital ratio and total capital ratio stood at 11.31% and 14.36%, against the regulatory requirement of 9.50% and 13.50%, respectively. CBSL has allowed flexibility for Banks to drawdown the capital conservation buffer up to 250 bps, from the minimum stipulated requirements, considering the prevailing macro-economic challenges, The Bank has been able to maintain a strong liquidity position during the period with Statutory Liquid Asset Ratio (LAR) of 30.7% and all currency Liquidity Coverage Ratio (LCR) of 218.5% being well above regulatory minimum requirements of 20% and 90%, respectively.

HNB Group recorded a PBT of Rs 14.0 Bn and the Bank accounted for 90% of the Group PAT of Rs 11.6 Bn for the nine months. Group PAT saw a drop of 13.2% compared to the previous year, due to the significant increase in impairment charges on account of investments in foreign currency denominated government securities as well as loans and advances. Group Assets increased by 19.5% to Rs 1.7 Tn as at end of September 2022.

HNB is rated AA- (Ika) by Fitch Ratings and has been ranked among the Top 1,000 Banks in the World over six consecutive years by the acclaimed UK based "The Banker Magazine" while being adjudged the 'Best Retail Bank in Sri Lanka' by the Asian Banker Magazine for the 12th time.

INCOME STATEMENT

	BANK			BANK			GROUP			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		
	2022	2021	% Increase / (Decrease)	2022	2021	% Increase/ (Decrease)	2022	2021	% Increase / (Decrease)	2022	2021	% Increase/ (Decrease)
Rs 000	Rs 000		Rs 000	Rs 000		Rs 000	Rs 000		Rs 000	Rs 000		
Gross income	163,836,477	84,602,449	94	66,736,855	27,922,216	139	184,070,245	99,779,734	84	74,476,734	33,205,706	124
Interest income	134,941,966	72,535,379	86	61,186,820	24,417,727	151	144,301,759	79,279,476	82	65,039,360	26,576,332	145
Less: Interest expenses	63,864,553	36,956,209	73	30,268,555	12,000,077	152	66,973,890	38,449,888	74	31,890,685	12,434,343	156
Net interest income	71,077,413	35,579,170	100	30,918,265	12,417,650	149	77,327,869	40,829,588	89	33,148,675	14,141,989	134
Fee and commission income	11,256,883	6,846,354	64	3,935,766	2,308,405	70	11,959,896	7,357,540	63	4,206,662	2,436,021	73
Less: Fee and commission expenses	254,434	184,893	38	80,721	62,074	30	461,399	242,495	90	204,557	84,275	143
Net fee and commission income	11,002,449	6,661,461	65	3,855,045	2,246,331	72	11,498,497	7,115,045	62	4,002,105	2,351,746	70
Net interest, fee and commission income	82,079,862	42,240,631	94	34,773,310	14,663,981	137	88,826,366	47,944,633	85	37,150,780	16,493,735	125
Net gains / (losses) from trading	4,934,777	(1,408,902)	450	(4,867,897)	(761,891)	539	4,895,972	(1,329,860)	468	(4,807,068)	(744,638)	546
Net gain from financial investments at fair value through other comprehensive income	211,404	183,207	15	-	14,218	(100)	214,740	185,887	16	290	14,858	(98)
Net gains arising on de-recognition of financial assets	-	-	-	-	-	-	-	9,490	(100)	-	3,616	(100)
Net insurance premium income	-	-	-	-	-	-	9,522,828	7,651,037	24	3,385,226	2,767,935	22
Net other operating income	12,491,447	6,446,411	94	6,482,166	1,943,757	233	13,175,050	6,626,164	99	6,652,264	2,151,582	209
Total operating income	99,717,490	47,461,347	110	36,387,579	15,860,065	129	116,634,956	61,087,351	91	42,381,492	20,687,088	105
Less: Impairment charge for loans and other losses	60,275,326	11,193,360	438	20,181,419	4,864,527	315	61,407,903	11,832,748	419	20,627,338	5,038,454	309
Net operating income	39,442,164	36,267,987	9	16,206,160	10,995,538	47	55,227,053	49,254,603	12	21,754,154	15,648,634	39
Less : Operating expenses												
Personnel expenses	11,436,703	9,458,973	21	4,042,581	3,279,964	23	14,124,030	11,623,533	22	4,996,192	4,033,601	24
Depreciation and amortisation	1,905,234	1,792,418	6	639,027	626,090	2	2,368,504	2,133,753	11	901,354	745,435	21
Benefits, claims and underwriting expenditure	-	-	-	-	-	-	8,336,306	7,009,678	19	2,263,690	2,470,574	(8)
Other expenses	9,474,733	6,709,697	41	3,278,954	2,240,065	46	11,993,107	8,431,911	42	4,197,459	2,938,303	43
Total operating expenses	22,816,670	17,961,088	27	7,960,562	6,146,119	30	36,821,947	29,198,875	26	12,358,695	10,187,913	21
Operating profit before taxes on financial services	16,625,494	18,306,899	(9)	8,245,598	4,849,419	70	18,405,106	20,055,728	(8)	9,395,459	5,460,721	72
Less : Value Added Tax (VAT) on financial services	4,262,764	3,569,168	19	1,870,162	1,043,301	79	4,385,817	3,757,615	17	1,892,012	1,111,197	70
Operating profit after taxes on financial services	12,362,730	14,737,731	(16)	6,375,436	3,806,118	68	14,019,289	16,298,113	(14)	7,503,447	4,349,524	73
Share of profit of joint venture (net of income tax)	-	-	-	-	-	-	1,154	144,475	(99)	(149,419)	79,103	(289)
PROFIT BEFORE INCOME TAX	12,362,730	14,737,731	(16)	6,375,436	3,806,118	68	14,020,443	16,442,588	(15)	7,354,028	4,428,627	66
Less: Income tax expense	1,876,154	2,502,939	(25)	1,393,527	648,179	115	2,395,553	3,054,487	(22)	1,792,298	843,762	112
PROFIT FOR THE PERIOD	10,486,576	12,234,792	(14)	4,981,909	3,157,939	58	11,624,890	13,388,101	(13)	5,561,730	3,584,865	55
Profit attributable to:												
Equity holders of the Bank	10,486,576	12,234,792	(14)	4,981,909	3,157,939	58	11,216,382	12,973,323	(14)	5,407,914	3,497,187	55
Non-controlling interests	-	-	-	-	-	-	408,508	414,778	(2)	153,816	87,678	75
PROFIT FOR THE PERIOD	10,486,576	12,234,792	(14)	4,981,909	3,157,939	58	11,624,890	13,388,101	(13)	5,561,730	3,584,865	55
Earnings per share												
Basic earnings per ordinary share (Rs)	19.58	22.85	(14)	9.30	5.90	58	20.94	24.22	(14)	10.10	6.53	55
Diluted earnings per ordinary share (Rs)	19.58	22.85	(14)	9.30	5.90	58	20.94	24.22	(14)	10.10	6.53	55

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	BANK			BANK			GROUP			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		
	2022	2021	% Increase/ (Decrease)	2022	2021	% Increase/ (Decrease)	2022	2021	% Increase/ (Decrease)	2022	2021	% Increase/ (Decrease)
Rs 000	Rs 000		Rs 000	Rs 000		Rs 000	Rs 000		Rs 000	Rs 000		
PROFIT FOR THE PERIOD	10,486,576	12,234,792	(14)	4,981,909	3,157,939	58	11,624,890	13,388,101	(13)	5,561,730	3,584,865	55
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods												
Change in fair value of investments in equity instruments designated at fair value through other comprehensive income	(1,831,486)	(259,824)	605	1,894	(61,743)	103	(1,831,486)	(259,824)	605	1,894	(61,743)	103
Remeasurement of post-employment benefit obligations	-	-	-	-	-	-	12,482	25,720	(51)	-	-	-
Revaluation gain on freehold land and buildings	-	-	-	-	-	-	200,071	-	-	-	-	-
Less: Tax expense relating to items that will not be reclassified to profit or loss	-	578,862	(100)	-	-	-	(50,583)	1,247,234	(104)	-	-	-
Total other comprehensive income that will not be reclassified to profit or loss	(1,831,486)	319,038	(674)	1,894	(61,743)	103	(1,669,516)	1,013,130	(265)	1,894	(61,743)	103
Other comprehensive income that will be reclassified to profit or loss in subsequent periods												
Debt instruments at fair value through other comprehensive income :												
Net gains / (losses) on investments in debt instruments measured at fair value through other comprehensive income	(3,634,091)	(2,131,932)	70	-	(1,813,334)	(100)	(5,256,790)	(2,812,106)	87	(235,944)	(2,266,744)	(90)
Cumulative net gains/(losses) on debt instruments measured at fair value through other comprehensive income that are reclassified to amortised cost	5,577,587	-	-	-	-	-	6,281,572	-	-	-	-	-
Reclassification of net gains on de-recognition of debt instruments at fair value through other comprehensive income to income statement	-	-	-	-	-	-	-	(9,490)	(100)	-	(3,616)	(100)
Net change in expected credit losses of debt securities measured at fair value through other comprehensive income	(295,445)	26,321	(1,222)	-	15,321	(100)	(295,445)	26,321	(1,222)	-	15,321	(100)
Transfer to life policy holder reserve fund	-	-	-	-	-	-	1,227,793	614,855	100	84,574	409,970	(79)
Share of other comprehensive income of joint venture that will be reclassified to profit or loss	-	-	-	-	-	-	678,560	58,220	1,066	(110,452)	(19,436)	468
Less: Tax expense relating to items that will be reclassified to profit or loss	(466,439)	552,821	(184)	-	435,200	(100)	(440,893)	566,447	(178)	7,575	439,440	(98)
Total other comprehensive income that will be reclassified to profit or loss	1,181,612	(1,552,790)	176	-	(1,362,813)	(100)	2,194,797	(1,555,753)	241	(254,247)	(1,425,065)	(82)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	(649,874)	(1,233,752)	(47)	1,894	(1,424,556)	(100)	525,281	(542,623)	197	(252,353)	(1,486,808)	(83)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	9,836,702	11,001,040	(11)	4,983,803	1,733,383	188	12,150,171	12,845,478	(5)	5,309,377	2,098,057	153
Total comprehensive income attributable to:												
Equity holders of the Bank	9,836,702	11,001,040	(11)	4,983,803	1,733,383	188	11,514,130	12,438,647	(7)	5,213,079	2,027,505	157
Non-controlling interests	-	-	-	-	-	-	636,041	406,831	56	96,298	70,552	36
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	9,836,702	11,001,040	(11)	4,983,803	1,733,383	188	12,150,171	12,845,478	(5)	5,309,377	2,098,057	153

STATEMENT OF FINANCIAL POSITION

	BANK			GROUP		
	As at 30.09.2022	As at 31.12.2021	% Increase / (Decrease)	As at 30.09.2022	As at 31.12.2021	% Increase / (Decrease)
	Rs 000	Audited Rs 000		Rs 000	Audited Rs 000	
ASSETS						
Cash and cash equivalents	82,943,687	38,185,254	117	83,470,079	40,900,372	104
Placements with banks	9,818,043	-	-	13,175,129	6,371,273	107
Balances with Central Bank of Sri Lanka	29,682,154	25,820,489	15	29,682,154	25,820,489	15
Reverse repurchase agreements	-	-	-	2,186,486	6,246,276	(65)
Derivative financial instruments	5,144,682	927,487	455	5,144,682	927,487	455
Financial assets measured at fair value through profit or loss	118,111	103,365	14	281,400	862,641	(67)
Financial assets measured at amortised cost - loans and advances to customers	973,929,491	876,254,693	11	1,011,991,693	911,253,345	11
Financial assets measured at amortised cost - debt and other financial instruments	447,129,288	160,677,520	178	477,078,135	171,930,640	177
Financial assets measured at fair value through other comprehensive income	2,695,589	203,426,433	(99)	6,648,902	210,804,487	(97)
Investment in joint venture	755,000	755,000	-	3,557,134	2,877,420	24
Investment in subsidiaries	3,017,285	3,017,285	-	-	-	-
Investment properties	465,773	469,774	(1)	942,873	964,854	(2)
Property, plant and equipment	24,557,060	24,953,738	(2)	49,365,022	49,724,473	(1)
Right-of-use assets	5,364,281	5,439,384	(1)	2,372,637	2,177,902	9
Intangible assets and goodwill	1,288,064	1,429,544	(10)	1,831,574	1,989,134	(8)
Deferred tax assets	21,478,935	4,461,561	381	21,748,974	4,941,105	340
Other assets	23,706,786	12,415,094	91	27,615,828	15,858,665	74
Total assets	1,632,094,229	1,358,336,621	20	1,737,092,702	1,453,650,563	19
LIABILITIES						
Due to banks	5,955,144	17,075,502	(65)	5,956,220	17,075,502	(65)
Derivative financial instruments	18,868	353,356	(95)	18,868	353,356	(95)
Securities sold under repurchase agreements	15,557,597	33,524,226	(54)	15,557,597	33,524,226	(54)
Financial liabilities measured at amortised cost - due to depositors	1,346,075,937	1,075,709,287	25	1,381,558,025	1,107,065,820	25
Dividends payable	1,009,919	989,212	2	1,034,172	1,013,629	2
Financial liabilities measured at amortised cost - other borrowings	33,769,005	24,747,869	36	36,390,948	25,555,834	42
Debt securities issued	1,999,394	1,962,749	2	2,540,391	2,465,085	3
Current tax liabilities	24,242,645	10,051,689	141	24,514,709	10,518,569	133
Deferred tax liabilities	-	-	-	5,257,348	5,157,978	2
Insurance provision - life	-	-	-	23,316,551	20,378,015	14
Insurance provision - non life	-	-	-	4,175,562	3,735,921	12
Other provisions	6,015,175	3,928,598	53	6,405,747	4,550,802	41
Other liabilities	19,798,572	14,400,456	37	20,310,218	14,596,651	39
Subordinated term debts	22,783,786	23,552,323	(3)	23,730,020	24,391,912	(3)
Total liabilities	1,477,226,042	1,206,295,267	22	1,550,766,376	1,270,383,300	22

STATEMENT OF FINANCIAL POSITION

	BANK			GROUP		
	As at 30.09.2022 Rs 000	As at 31.12.2021 Audited Rs 000	% Increase / (Decrease)	As at 30.09.2022 Rs 000	As at 31.12.2021 Audited Rs 000	% Increase / (Decrease)
EQUITY						
Stated capital	38,679,005	37,364,244	4	38,679,005	37,364,244	4
Statutory reserve fund	8,560,000	8,560,000	-	8,560,000	8,560,000	-
Retained earnings	37,053,108	35,186,607	5	45,947,212	43,643,800	5
Other reserves	70,576,074	70,930,503	-	86,461,216	87,099,997	(1)
Total shareholders' equity	154,868,187	152,041,354	2	179,647,433	176,668,041	2
Non-controlling interests	-	-	-	6,678,893	6,599,222	1
Total equity	154,868,187	152,041,354	2	186,326,326	183,267,263	2
Total equity and liabilities	1,632,094,229	1,358,336,621	20	1,737,092,702	1,453,650,563	19
Contingent liabilities and commitments	833,302,737	676,242,350	23	833,302,737	676,242,350	23
Net assets value per ordinary share (Rs.)	289.17	283.89	2	335.44	329.88	2
Memorandum Information						
Number of Employees	5,117	5,042				
Number of Customer Centers	255	255				

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 2022 and its profit for the nine months ended 30th September 2022.

(Sgd.)

Rajive Dissanayake
Chief Financial Officer
11th November 2022

We the undersigned, being the Managing Director / Chief Executive Officer and the Chairperson 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;
- 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
11th November 2022

(Sgd.)

Aruni Goonetilleke
Chairperson
11th November 2022

STATEMENT OF CHANGES IN EQUITY - BANK

	Stated Capital		Statutory Reserve Fund	Other Reserves			Retained Earnings	Total
	Voting Shares	Non-Voting Shares		Capital Reserve	Fair value Reserve	General Reserve		
	Rs000	Rs000		Rs000	Rs000	Rs000		
For the 9 months ended 30th September 2022								
Balance as at 1st January 2022	30,680,591	6,683,653	8,560,000	15,084,556	(1,254,053)	57,100,000	35,186,607	152,041,354
Adjustment for surcharge tax levied under the Surcharge Tax Act No.14 of 2022	-	-	-	-	-	-	(3,611,625)	(3,611,625)
Adjusted balance as at 1st January 2022	30,680,591	6,683,653	8,560,000	15,084,556	(1,254,053)	57,100,000	31,574,982	148,429,729
Total comprehensive income for the period								
Net profit for the period	-	-	-	-	-	-	10,486,576	10,486,576
Other comprehensive income for the period, net of tax	-	-	-	-	(354,429)	-	(295,445)	(649,874)
Total comprehensive income for the period	-	-	-	-	(354,429)	-	10,191,131	9,836,702
Transactions with equity holders, recognised directly in equity								
Contributions by and distributions to equity holders								
Dividends to equity holders								
Final dividend 2021 - Cash	-	-	-	-	-	-	(3,418,380)	(3,418,380)
Final dividend 2021 - Scrip	1,052,150	262,611	-	-	-	-	(1,314,761)	-
Total contributions by and distributions to equity holders	1,052,150	262,611	-	-	-	-	(4,733,141)	(3,418,380)
Transfer of unclaimed dividends	-	-	-	-	-	-	20,136	20,136
Balance as at 30th September 2022	31,732,741	6,946,264	8,560,000	15,084,556	(1,608,482)	57,100,000	37,053,108	154,868,187
For the 9 months ended 30th September 2021								
Balance as at 1st January 2021	29,244,472	6,327,857	7,660,000	10,782,706	1,221,363	56,100,000	22,665,227	134,001,625
Total comprehensive income for the period								
Net profit for the period	-	-	-	-	-	-	12,234,792	12,234,792
Other comprehensive income for the period, net of tax	-	-	-	578,862	(1,838,935)	-	26,321	(1,233,752)
Total comprehensive income for the period	-	-	-	578,862	(1,838,935)	-	12,261,113	11,001,040
Transactions with equity holders, recognised directly in equity								
Contributions by and distributions to equity holders								
Dividends to equity holders								
Final dividend 2020 - Cash	-	-	-	-	-	-	(2,303,891)	(2,303,891)
Final dividend 2020 - Scrip	1,436,119	355,796	-	-	-	-	(1,791,915)	-
Total contributions by and distributions to equity holders	1,436,119	355,796	-	-	-	-	(4,095,806)	(2,303,891)
Transfers during the period	-	-	-	-	-	-	-	-
Balance as at 30th September 2021	30,680,591	6,683,653	7,660,000	11,361,568	(617,572)	56,100,000	30,830,534	142,698,774

STATEMENT OF CHANGES IN EQUITY - GROUP

	Stated Capital			Other Reserves										Total Equity
	Voting Shares	Non-Voting Shares	Statutory Reserve Fund	Capital Reserve	General Reserve	Fair value Reserve	Life policy holder Reserve fund	Restricted Regulatory Reserve	Exchange Equalization Reserve	Retained Earnings	Shareholders' Funds	Non Controlling Interests		
	Rs 000	Rs 000	Rs 000	Rs 000		Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs. 000	Rs 000	Rs 000	
For the 9 months ended 30th September 2022														
Balance as at 1st January 2022	30,680,591	6,683,653	8,560,000	30,816,980	57,100,000	(1,258,039)	(103,302)	381,156	163,202	43,643,800	176,668,041	6,599,222	183,267,263	
Adjustment for surcharge tax levied under the Surcharge Tax Act No.14 of 2022	-	-	-	-	-	-	-	-	-	(3,912,900)	(3,912,900)	(68,996)	(3,981,896)	
Adjusted balance as at 1st January 2022	-	-	-	-	-	-	-	-	-	39,730,900	172,755,141	6,530,226	179,285,367	
Aquisition of Non controlling Interest in subsidiary by HNB Finance PLC	-	-	-	-	-	-	-	-	-	-	-	(301,135)	(301,135)	
Total comprehensive income for the period														
Net profit for the period	-	-	-	-	-	-	-	-	-	11,216,382	11,216,382	408,508	11,624,890	
Other comprehensive income, net of tax	-	-	-	64,106	-	524,906	-	-	-	(291,264)	297,748	227,533	525,281	
Total comprehensive income for the period	-	-	-	64,106	-	524,906	-	-	-	10,925,118	11,514,130	636,041	12,150,171	
Transactions with equity holders, recognised directly in equity														
Contributions by and distributions to equity holders														
Dividends to equity holders														
Final dividend 2021 - Scrip	1,052,150	262,611	-	-	-	-	-	-	-	(1,314,761)	-	-	-	
Final dividend 2021 - Cash	-	-	-	-	-	-	-	-	-	(3,418,380)	(3,418,380)	(192,000)	(3,610,380)	
Total contributions by and distributions to equity holders	1,052,150	262,611	-	-	-	-	-	-	-	(4,733,141)	(3,418,380)	(192,000)	(3,610,380)	
Transfer from life policy holder reserve fund	-	-	-	-	-	-	(1,227,793)	-	-	-	(1,227,793)	-	(1,227,793)	
Transfer of unclaimed dividends	-	-	-	-	-	-	-	-	-	20,136	20,136	-	20,136	
Impact due to amalgamation	-	-	-	-	-	-	-	-	-	4,199	4,199	5,761	9,960	
Balance as at 30th September 2022	31,732,741	6,946,264	8,560,000	30,881,086	57,100,000	(733,133)	(1,331,095)	381,156	163,202	45,947,212	179,647,433	6,678,893	186,326,326	
For the 9 months ended 30th September 2021														
Balance as at 1st January 2021	29,244,472	6,327,857	7,660,000	23,054,710	56,100,000	1,270,055	748,391	381,156	101,634	29,361,200	154,249,475	5,409,964	159,659,439	
Total comprehensive income for the period														
Net profit for the period	-	-	-	-	-	-	-	-	-	12,973,323	12,973,323	414,778	13,388,101	
Other comprehensive income for the period (net of tax)	-	-	-	1,244,382	-	(1,817,426)	-	-	-	38,368	(534,676)	(7,947)	(542,623)	
Total comprehensive income for the period	-	-	-	1,244,382	-	(1,817,426)	-	-	-	13,011,691	12,438,647	406,831	12,845,478	
Transactions with equity holders, recognised directly in equity														
Contributions by and distributions to equity holders														
Final dividend 2020 - Scrip	1,436,119	355,796	-	-	-	-	-	-	-	(1,791,915)	-	-	-	
Final dividend 2020 - Cash	-	-	-	-	-	-	-	-	-	(2,303,891)	(2,303,891)	(168,000)	(2,471,891)	
Total contributions by and distributions to equity holders	1,436,119	355,796	-	-	-	-	-	-	-	(4,095,806)	(2,303,891)	(168,000)	(2,471,891)	
Transfer from life policy holder reserve fund	-	-	-	-	-	-	(614,855)	-	-	-	(614,855)	-	(614,855)	
Balance as at 30th September 2021	30,680,591	6,683,653	7,660,000	24,299,092	56,100,000	(547,371)	133,536	381,156	101,634	38,277,085	163,769,376	5,648,795	169,418,171	

STATEMENT OF CASH FLOWS

For 9 months ended 30th September	BANK		GROUP	
	2022 Rs 000	2021 Rs 000	2022 Rs 000	2021 Rs 000
Cash flows from operating activities				
Interest receipts	131,112,114	74,582,071	140,533,087	81,350,306
Interest payments	(51,361,930)	(40,170,447)	(54,057,859)	(42,413,077)
Net commission receipts	11,010,261	6,884,702	11,503,730	7,336,337
Trading income	4,461,490	(1,448,440)	4,422,685	(1,448,321)
Payments to employees	(10,837,645)	(8,661,232)	(13,511,311)	(10,817,389)
Taxes on financial services	(2,887,024)	(3,111,550)	(3,086,039)	(3,234,975)
Receipts from other operating activities	5,399,451	4,930,384	15,120,547	13,402,571
Payments on other operating activities	(8,265,373)	(9,170,740)	(15,442,294)	(14,169,336)
Operating profit before change in operating assets and liabilities	78,631,344	23,834,748	85,482,546	30,006,116
(Increase)/decrease in operating assets				
Balances with Central Bank of Sri Lanka	(3,861,665)	(18,090,689)	(3,861,665)	(18,090,689)
Financial assets measured at amortised cost - loans and advances to customers	(44,979,026)	(85,564,452)	(48,492,102)	(86,133,272)
Reverse repurchase agreements	-	(2,005,791)	4,060,408	(5,208,129)
Other assets	8,774,044	(249,846)	8,363,374	(416,223)
	(40,066,647)	(105,910,778)	(39,929,985)	(109,848,313)
Increase/(decrease) in operating liabilities				
Financial liabilities measured at amortised cost - due to depositors	107,987,416	93,218,795	111,776,947	90,129,387
Financial liabilities measured at amortised cost - other borrowings	(14,563,163)	(71,187,989)	(12,748,109)	(71,167,267)
Securities sold under repurchase agreements	(18,149,299)	31,934,196	(18,149,299)	31,934,196
Other liabilities	(12,723,432)	1,757,722	(12,748,922)	1,957,280
	62,551,522	55,722,724	68,130,617	52,853,596
Net cash generated from / (used in) operating activities before income tax	101,116,219	(26,353,306)	113,683,178	(26,988,601)
Income tax and surcharge tax paid	(8,743,245)	(2,721,121)	(9,567,764)	(3,035,599)
Net cash generated from / (used in) operating activities	92,372,974	(29,074,427)	104,115,414	(30,024,200)
Cash flows from investing activities				
Purchase of property, plant and equipment	(571,558)	(376,059)	(768,553)	(673,024)
Proceeds from the sale of property, plant and equipment	12,800	12,318	13,276	13,268
Net proceeds from sale, maturity and purchase of financial investments	(33,262,808)	60,271,806	(49,542,203)	57,027,700
Net purchase of intangible assets	(168,953)	(401,519)	(175,178)	(557,971)
Dividends received from investment in subsidiaries	288,000	251,941	-	-
Dividends received from other investments	9,832	32,117	13,999	39,556
Net cash generated from / (used in) investing activities	(33,692,687)	59,790,604	(50,458,659)	55,849,529
Cash flows from financing activities				
Repayment of subordinated debt/debt securities issued	(700,000)	(2,307,500)	(687,262)	(2,146,928)
Dividend paid to non controlling interest	-	-	(192,119)	(166,493)
Dividend paid to shareholders of the parent company	(3,403,811)	(2,273,626)	(3,403,811)	(2,273,626)
Net cash used in financing activities	(4,103,811)	(4,581,126)	(4,283,192)	(4,587,047)
Net increase in cash and cash equivalents	54,576,476	26,135,051	49,373,563	21,238,282
Cash and cash equivalents at the beginning of the period	38,185,254	34,123,562	47,271,645	47,025,391
Cash and cash equivalents at the end of the period	92,761,730	60,258,613	96,645,208	68,263,673
Cash and cash equivalents at the end of the period				
Cash and cash equivalents	82,943,687	60,258,613	83,470,079	60,752,138
Placements with banks	9,818,043	-	13,175,129	7,511,535
	92,761,730	60,258,613	96,645,208	68,263,673

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS - BANK

As at 30th September 2022	Fair Value Through Profit or Loss	Amortised Cost	Fair Value Through Other Comprehensive Income	Total Carrying Amount
	Rs 000	Rs 000	Rs 000	Rs 000
ASSETS				
Cash and cash equivalents	-	82,943,687	-	82,943,687
Placements with banks	-	9,818,043	-	9,818,043
Balances with Central Bank of Sri Lanka	-	29,682,154	-	29,682,154
Reverse repurchase agreements	-	-	-	-
Derivative financial instruments	5,144,682	-	-	5,144,682
Financial assets measured at fair value through profit or loss	118,111	-	-	118,111
Financial assets measured at amortised cost				
- loans and advances to customer	-	973,929,491	-	973,929,491
Financial assets measured at amortised cost - debt and other financial instruments	-	447,129,288	-	447,129,288
Financial assets measured at fair value through other comprehensive income	-	-	2,695,589	2,695,589
Other financial assets	-	9,326,300	-	9,326,300
Total financial assets	5,262,793	1,552,828,963	2,695,589	1,560,787,345
LIABILITIES				
Due to banks	-	5,955,144	-	5,955,144
Derivative financial instruments	18,868	-	-	18,868
Securities sold under repurchase agreements	-	15,557,597	-	15,557,597
Financial liabilities measured at amortised cost - due to depositors	-	1,346,075,937	-	1,346,075,937
Dividends payable	-	1,009,919	-	1,009,919
Financial liabilities measured at amortised cost - other borrowings	-	33,769,005	-	33,769,005
Debt securities issued	-	1,999,394	-	1,999,394
Other financial liabilities	-	17,709	-	17,709
Subordinated term debts	-	22,783,787	-	22,783,787
Total financial liabilities	18,868	1,427,168,492	-	1,427,187,360
As at 31st December 2021				
	Fair Value Through Profit or Loss	Amortised Cost	Fair Value Through Other Comprehensive Income	Total Carrying Amount
	Rs 000	Rs 000	Rs 000	Rs 000
ASSETS				
Cash and cash equivalents	-	38,185,254	-	38,185,254
Placements with banks	-	-	-	-
Balances with Central Bank of Sri Lanka	-	25,820,489	-	25,820,489
Derivative financial instruments	927,487	-	-	927,487
Financial assets measured at fair value through profit or loss	103,365	-	-	103,365
Financial assets measured at amortised cost -- loans and advances to customer	-	876,254,693	-	876,254,693
Financial assets measured at amortised cost - debt and other financial instruments	-	160,677,520	-	160,677,520
Financial assets measured at fair value through other comprehensive income	-	-	203,426,433	203,426,433
Other financial assets	-	6,123,181	-	6,123,181
Total financial assets	1,030,852	1,107,061,137	203,426,433	1,311,518,422
LIABILITIES				
Due to banks	-	17,075,502	-	17,075,502
Derivative financial instruments	353,356	-	-	353,356
Securities sold under repurchase agreements	-	33,524,226	-	33,524,226
Financial liabilities measured at amortised cost - due to depositors	-	1,075,709,287	-	1,075,709,287
Dividends payable	-	989,212	-	989,212
Financial liabilities measured at amortised cost - other borrowings	-	24,747,869	-	24,747,869
Debt securities issued	-	1,962,749	-	1,962,749
Other financial liabilities	-	9,346	-	9,346
Subordinated term debts	-	23,552,323	-	23,552,323
Total financial liabilities	353,356	1,177,570,514	-	1,177,923,870

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS - GROUP

As at 30th September 2022	Fair Value Through Profit or Loss	Amortised Cost	Fair Value through Other Comprehensive Income	Total Carrying Amount
	Rs 000	Rs 000	Rs 000	Rs 000
ASSETS				
Cash and cash equivalents	-	83,470,079	-	83,470,079
Placements with banks	-	13,175,129	-	13,175,129
Balances with Central Bank of Sri Lanka	-	29,682,154	-	29,682,154
Reverse repurchase agreements	-	2,186,486	-	2,186,486
Derivative financial instruments	5,144,682	-	-	5,144,682
Financial assets measured at fair value through profit or loss	281,400	-	-	281,400
Financial assets measured at amortised cost	-	-	-	-
- loans and advances to customers	-	1,011,991,693	-	1,011,991,693
Financial assets measured at amortised cost - debt and other financial instruments	-	477,078,135	-	477,078,135
Financial assets measured at fair value through other comprehensive income	-	-	6,648,902	6,648,902
Other financial assets	-	12,007,403	-	12,007,403
Total financial assets	5,426,082	1,629,591,079	6,648,902	1,641,666,063
LIABILITIES				
Due to banks	-	5,956,220	-	5,956,220
Derivative financial instruments	18,868	-	-	18,868
Securities sold under repurchase agreements	-	15,557,597	-	15,557,597
Financial liabilities measured at amortised cost - due to depositors	-	1,381,558,025	-	1,381,558,025
Dividends payable	-	1,034,172	-	1,034,172
Financial liabilities measured at amortised cost - other borrowings	-	36,390,948	-	36,390,948
Debt securities issued	-	2,540,391	-	2,540,391
Other financial liabilities	-	2,113,540	-	2,113,540
Subordinated term debts	-	23,730,020	-	23,730,020
Total financial liabilities	18,868	1,468,880,913	-	1,468,899,781
As at 31st December 2021				
	Fair Value Through Profit or Loss	Amortised Cost	Fair Value through Other Comprehensive Income	Total Carrying Amount
	Rs 000	Rs 000	Rs 000	Rs 000
ASSETS				
Cash and cash equivalents	-	40,900,372	-	40,900,372
Placements with banks	-	6,371,273	-	6,371,273
Balances with Central Bank of Sri Lanka	-	25,820,489	-	25,820,489
Reverse repurchase agreements	-	6,246,276	-	6,246,276
Derivative financial instruments	927,487	-	-	927,487
Financial assets measured at fair value through profit or loss	862,641	-	-	862,641
Financial assets measured at amortised cost - loans and advances to customers	-	911,253,345	-	911,253,345
Financial assets measured at amortised cost - debt and other financial instruments	-	171,930,640	-	171,930,640
Financial assets measured at fair value through other comprehensive income	-	-	210,804,487	210,804,487
Other financial assets	-	8,034,880	-	8,034,880
Total financial assets	1,790,128	1,170,557,275	210,804,487	1,383,151,890
LIABILITIES				
Due to banks	-	17,075,502	-	17,075,502
Derivative financial instruments	353,356	-	-	353,356
Securities sold under repurchase agreements	-	33,524,226	-	33,524,226
Financial liabilities measured at amortised cost - due to depositors	-	1,107,065,820	-	1,107,065,820
Dividends payable	-	1,013,629	-	1,013,629
Financial liabilities measured at amortised cost - other borrowings	-	25,555,834	-	25,555,834
Debt securities issued	-	2,465,085	-	2,465,085
Other financial liabilities	-	2,329,388	-	2,329,388
Subordinated term debts	-	24,391,912	-	24,391,912
Total financial liabilities	353,356	1,213,421,396	-	1,213,774,752

SEGMENT REPORTING

As at 30th September	Corporate		Retail		SME		Micro		Treasury		Real Estate		Insurance		NBFI*		Eliminations / Unallocated		Consolidated	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	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	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Net interest income	5,732,905	4,474,451	22,985,146	10,149,203	6,764,214	5,699,031	613,319	631,784	33,200,125	12,809,891	86,447	(16,112)	2,954,422	1,836,386	2,755,937	2,963,970	2,235,353	2,280,984	77,327,869	40,829,588
Foreign exchange income	(4,949,323)	224,805	132,149	110,381	(145,578)	203,107	2,201	1,288	2,697,091	2,357,105	-	-	-	-	-	-	19,018,998	1,207,358	16,755,538	4,104,044
Net fee and commission income	3,894,745	2,292,991	4,070,997	3,069,919	2,777,008	1,606,252	138,732	105,773	3,921	978	-	212,929	162,378	283,119	291,206	117,046	(414,452)	11,498,497	7,115,045	
Other operating income	-	-	-	-	-	-	-	-	46,460	8,130	768,614	762,366	10,040,931	7,852,102	515,055	192,368	(318,008)	223,708	11,053,052	9,038,674
Total operating income	4,678,327	6,992,247	27,188,292	13,329,503	9,395,644	7,508,390	754,252	738,845	35,947,597	15,176,104	855,061	746,254	13,208,282	9,850,866	3,554,111	3,447,544	21,053,390	3,297,597	116,634,956	61,087,351
Impairment charge for loans and other losses	9,909,737	4,603,942	3,027,670	2,041,377	6,231,271	2,982,951	110,901	534,290	40,995,747	1,030,801	-	-	13,461	9,003	1,119,116	630,384	-	-	61,407,903	11,832,748
Net operating income	(5,231,410)	2,388,305	24,160,622	11,288,126	3,164,373	4,525,439	643,351	204,555	(5,048,150)	14,145,303	855,061	746,254	13,194,821	9,841,863	2,434,995	2,817,160	21,053,390	3,297,597	55,227,053	49,254,603
Profit from operations																			14,019,289	16,298,113
Share of profit of joint venture																			1,154	144,475
Income tax expenses																			(2,395,553)	(3,054,487)
Non - controlling interests																			(408,508)	(414,778)
Net Profit for the year attributable to equity holders of the parent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,216,382	12,973,323
As at 30th September																				
Segment assets	540,425,384	441,119,394	272,786,267	223,056,630	230,175,510	223,864,254	25,660,599	28,387,519	523,744,846	414,269,288	10,761,448	10,832,444	39,741,249	34,863,345	49,900,970	35,215,194	40,339,295	19,556,119	1,733,535,568	1,431,164,187
Investment in joint venture		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,557,134	2,724,506	3,557,134	2,724,506
Total assets	540,425,384	441,119,394	272,786,267	223,056,630	230,175,510	223,864,254	25,660,599	28,387,519	523,744,846	414,269,288	10,761,448	10,832,444	39,741,249	34,863,345	49,900,970	35,215,194	43,896,429	22,280,625	1,737,092,702	1,433,888,693
Segment liabilities	241,902,117	181,716,126	807,922,335	674,036,040	256,501,006	188,205,928	14,173,458	10,154,027	16,773,617	55,412,058	10,761,448	10,832,444	39,741,249	34,863,345	49,900,970	35,215,194	299,416,502	243,453,531	1,737,092,702	1,433,888,693
Total liabilities	241,902,117	181,716,126	807,922,335	674,036,040	256,501,006	188,205,928	14,173,458	10,154,027	16,773,617	55,412,058	10,761,448	10,832,444	39,741,249	34,863,345	49,900,970	35,215,194	299,416,502	243,453,531	1,737,092,702	1,433,888,693
For the 9 months ended 30th September																				
Information on cash flows																				
Cash flows from operating activities	(353,933)	(34,349,541)	39,285,481	55,433,410	45,357,788	5,215,048	7,439,964	999,268	9,309,334	(36,960,455)	(126,742)	507,578	1,682,154	2,457,822	(7,829)	(2,672,219)	1,529,197	(20,655,111)	104,115,414	(30,024,200)
Cash flows from investing activities	(1,500,000)	(6,700,000)	-	-	-	-	-	-	(33,262,808)	66,973,920	948,072	-	(11,417,464)	(1,791,227)	(4,997,375)	(925,206)	(229,084)	(1,707,958)	(50,458,659)	55,849,529
Cash flows from financing activities	-	-	-	-	-	-	-	-	-	-	-	-	(599,970)	(530,842)	(209,009)	(94,809)	(3,474,213)	(3,961,396)	(4,283,192)	(4,587,047)
Net cash flow generated during the period	(1,853,933)	(41,049,541)	39,285,481	55,433,410	45,357,788	5,215,048	7,439,964	999,268	(23,953,474)	30,013,465	821,330	507,578	(10,335,280)	135,753	(5,214,213)	(3,692,234)	(2,174,100)	(26,324,465)	49,373,563	21,238,282
Capital expenditure																				
- Property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-	(143,969)	(150,260)	(52,996)	(146,705)	(571,588)	(376,059)	(768,553)	(673,024)
- Intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	(11,442)	(16,650)	(17,701)	(139,802)	(146,035)	(401,519)	(175,178)	(557,971)
Total Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	(155,411)	(166,910)	(70,697)	(286,507)	(717,623)	(777,578)	(943,731)	(1,230,995)

* Business of HNB Finance PLC

EXPLANATORY NOTES

1. There are no changes in accounting policies and methods of computation since the publication of annual accounts for the year 2021.
2. There are no material changes during the period in the composition of assets, liabilities and contingent liabilities and use of funds raised through debentures. All known expenditure items have been provided for.

3. ECL Assessment and computation

The Bank reassessed the Probabilities of Default (PD) and the Economic Factor Adjustment used in collective impairment assessment as at September 2022 after taking into consideration the changes in the macro economic factors such as the significant volatility in exchange rates, interest rates, inflation and GDP growth rates. Management overlays were also recognised in respect of exposures to specific industries where an elevated level of risk have been identified. Bank has made adequate provisions for expected credit losses in the financial statements as at 30th September 2022 to ensure that the potential impact to its loan portfolio is adequately covered. The Board will continue to monitor the implications and make adjustments, if required.

Further, provision against foreign currency denominated government securities increased from Quarter 2, which resulted in a significant increase in impairment recognized in the income statement.

4. Bank re-classified its debt securities portfolio measured at Fair Value Through Other Comprehensive Income category to Amortised Cost category with effect from 1st April 2022 in accordance with "Statement of Alternative Treatment (SoAT) on Reclassification of Debt Portfolio" issued by CA Sri Lanka. Accordingly, Treasury Bills, Treasury Bonds and International Sovereign Bond investments which were previously classified as financial assets measured at Fair Value Through Other Comprehensive Income (FVOCI) were re-classified as financial assets measured at amortised cost. There was no change to the effective interest rate used and interest revenue recognised in respect of the reclassified assets for the period ended 30th September 2022.

Had these investments continued to be carried at fair value through other comprehensive income, the fair value of the remaining portfolio as at 30th September 2022 would have amounted to Rs 22 Bn and would have resulted in the recognition of a fair value loss of Rs 7 Bn (net of tax) in other comprehensive income during the period.

5. 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.
6. In accordance with the Statement of Alternative Treatment (SoAT) issued by CA Sri Lanka on 22nd April 2022, and related amendments, the Surcharge Tax expense which is deemed to be an expenditure for the year of assessment which commenced on 1st April 2020, has been recorded as an adjustment to the opening retained earnings as at 1st January 2022 as reported in the Statement of Changes in Equity.
7. Where required, figures on the audited annual financial statements have been reclassified to conform to Central Bank of Sri Lanka publication requirements.
8. The consolidated financial statements of the Bank cover the Bank and its subsidiaries HNB Assurance PLC, Sithma Development (Pvt) Ltd, HNB Finance PLC & the Group's interest in Joint Venture Acuity Partners (Pvt) Ltd.
9. The funds raised through debentures previously issued were fully utilized for the objectives mentioned in the respective prospectuses.
10. Mr. Damien Fernando, Director retired from the Board w.e.f. 25th October 2022 and Dr. Prasad Samarasinghe was appointed as Non Executive / Non Independent Director with effect from 26th October 2022.
11. The Inland Revenue (Amendment) Bill issued on 11th October 2022 has not been substantively enacted the Parliament. Therefore, the Bank has not considered the impact of changes proposed for the reporting period.
12. There are no material events that took place after the balance sheet date which require adjustment or disclosure in the financial statements other than those disclosed above.

SELECTED PERFORMANCE INDICATORS (AS PER REGULATORY REPORTING)

	As at 30.09.2022	As at 31.12.2021	As at 30.09.2022	As at 31.12.2021
	BANK		GROUP	
BASEL III				
Regulatory Capital				
Common Equity Tier 1.Rs.Mn	111,366	122,798	125,318	134,611
Tier 1 Capital.Rs.Mn	111,366	122,798	125,318	134,611
Total Capital.Rs.Mn	141,495	153,484	156,025	165,800
Regulatory Capital Ratios				
Common Equity Tier 1 Capital Ratio (Minimum Requirement - 2022 - 8.00%:2021 - 7.00%)	11.31%	14.53%	11.62%	14.45%
Tier 1 Capital Ratio (Minimum Requirement - 2022 - 9.50%:2021 - 8.50%)	11.31%	14.53%	11.62%	14.45%
Total Capital Ratio (Minimum Requirement 2022 - 13.50%:2021 - 12.50%)	14.36%	18.16%	14.47%	17.80%
Leverage Ratio (Minimum Requirement- 3.00%)	6.36%	7.97%	6.75%	8.22%
Assets Quality (Quality of Loan Portfolio)				
Impaired Loans (Stage 3) Ratio,%	3.34%	2.55%		
Impairment (Stage 3) to Stage 3 loans Ratio,%	56.30%	56.11%		
Profitability (Annualised)				
Interest Margin,%	6.22%	3.70%		
Return on Assets (before Tax), %	1.08%	1.48%		
Return on Equity,%	9.22%	12.09%		
Regulatory Liquidity				
Statutory Liquid Assets, Rs. Mn				
Domestic Banking unit	398,716	311,795		
Off-Shore Banking Unit	47,493	22,254		
Statutory Liquid Assets Ratio (Minimum requirement 20%)				
Domestic Banking unit	29.36%	27.95%		
Off-Shore Banking Unit	28.88%	24.95%		
Total Stock of High-Quality Liquid Assets, Rs. Mn				
Liquidity Coverage Ratio (%) - Rupee	218.59%	191.38%		
(Minimum Requirement - 2022 -100%, 2021 - 100%)				
Liquidity Coverage Ratio (%) - All Currency	218.53%	207.99%		
(Minimum Requirement - 2022 - 100%, 2021 - 100%)				
Net Stable Funding Ratio(Minimum Requirement - 2022 - 100%, 2021 - 100%)	124.33%	117.57%		

LISTED DEBENTURE INFORMATION

Quarter ended 30th September	Market Value				Last Traded		Interest Yield as at Last Trade Done (%)		
	2022		2021		2022	2021	Quarter ended 30th September	2022	2021
	Highest Rs.	Lowest Rs.	Highest Rs.	Lowest Rs.	Rs.	Rs.			
HNB DEBENTURES 2006									
18 year Fixed Rate (11.25% p.a.)	N/T	N/T	N/T	N/T	N/T	N/T	18 year Fixed Rate (11.25% p.a.)	N/T	N/T
HNB DEBENTURES 2007									
15 year Fixed Rate (16.75% p.a.)	N/T	N/T	N/T	N/T	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/A	N/A	N/T	N/T	N/A	N/T	10 year Fixed Rate (11.50% p.a.)	N/A	N/T
HNB DEBENTURES 2013									
10 year Fixed Rate (8.00% p.a.)	N/T	N/T	98.05	98.05	N/T	98.05	10 year Fixed Rate (8.00% p.a.)	N/T	9.03
HNB DEBENTURES 2014									
10 year Fixed Rate (8.33% p.a.)	N/T	N/T	N/T	N/T	N/T	N/T	10 year Fixed Rate (8.33% p.a.)	N/T	N/T
HNB DEBENTURES 2016									
5 year Fixed Rate (11.75% p.a.)	N/A	N/A	N/T	N/T	N/A	N/T	5 year Fixed Rate (11.75% p.a.)	N/A	N/T
7 year Fixed Rate (13.00% p.a.)	N/T	N/T	111.18	111.18	N/T	111.18	7 year Fixed Rate (13.00% p.a.)	N/T	7.34
HNB DEBENTURES 2019									
5 year Fixed Rate (12.30% p.a.)	74.00	74.00	N/T	N/T	74.00	N/T	5 year Fixed Rate (12.30% p.a.)	30.04	N/T
7 year Fixed Rate (12.80% p.a.)	N/T	N/T	N/T	N/T	N/T	N/T	7 year Fixed Rate (12.80% p.a.)	N/T	N/T
HNB DEBENTURES 2021									
10 year Fixed Rate (9.50% p.a.)	N/T	N/T	N/T	N/T	N/T	N/T	10 year Fixed Rate (9.50% p.a.)	N/T	N/T

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

RATIOS OF DEBT		
	30.09.2022	31.12.2021
Debt Equity Ratio (%)	32.76	28.27
	30.09.2022	30.09.2021
Interest Cover (Times)	5.52	4.73
	30.09.2022	30.09.2021
Yield of Comparable Govt. Security for the following HNB Debentures (% p.a.)		
2006 series 18 year maturity	24.53	8.03
2007 series 15 year maturity	N/A	6.50
2013 series 10 year maturity	23.47	7.76
2014 series 10 year maturity	24.53	8.43
2016 series 7 year maturity	23.28	7.86
2019 series 5 year maturity	24.50	8.35
2019 series 7 year maturity	26.32	9.37
2021 series 10 year maturity	27.32	10.26

Quarter ended 30th September	Yield to Maturity of Last Trade Done (% p.a)	
	2022	2021
HNB DEBENTURES 2006		
18 year Fixed Rate (11.25% p.a.)	N/T	N/T
HNB DEBENTURES 2007		
15 year Fixed Rate (16.75% p.a.)	N/T	N/T
HNB DEBENTURES 2011		
10 year Fixed Rate (11.50% p.a.)	N/A	N/T
HNB DEBENTURES 2013		
10 year Fixed Rate (8.00% p.a.)	N/T	8.00
HNB DEBENTURES 2014		
10 year Fixed Rate (8.33% p.a.)	N/T	N/T
HNB DEBENTURES 2016		
5 year Fixed Rate (11.75% p.a.)	N/A	N/T
7 year Fixed Rate (13.00% p.a.)	N/T	13.00
HNB DEBENTURES 2019		
5 year Fixed Rate (12.30% p.a.)	12.30	N/T
7 year Fixed Rate (12.80% p.a.)	N/T	N/T
HNB DEBENTURES 2021		
10 year Fixed Rate (9.50% p.a.)	N/T	N/T

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

SHARE INFORMATION

As at	30-Sep-22	31-Dec-21
Number of Shares		
Voting	428,442,985	420,859,924
Non-voting	107,112,457	105,044,649
Last Traded Price per share		
Voting	84.70	135.00
Non-voting	74.50	122.25

For the Quarter Ended	30-Sep-22	30-Sep-21
Highest price per share		
Voting	90.10	142.75
Non-voting	85.20	133.75
Lowest price per share		
Voting	77.30	128.00
Non-voting	69.90	105.50

PUBLIC SHAREHOLDING PERCENTAGE

	30-Sep-22	
	Number	%
Number of shareholders representing the public holding (Voting)	8,232	69% approx.
Number of shareholders representing the public holding (Non Voting)	11,286	99% approx.
Compliant under Option 1 - Float Adjusted Market Capitalization	Rs 25.04 Bn	

DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S SHAREHOLDING

	Number of shares	
	30-Sep-22	31-Dec-21
1. Mrs. A. Goonetilleke	-	-
2. Mr. A.J. Alles (Chief Executive Officer)	143,614	131,855
3. Mr. D.A. Cabraal	-	-
4. Mr. L.U.D. Fernando (Retired w.e.f. 25th October 2022)	3,546	3,480
5. Mr. W.M.M.D. Ratnayake	-	-
6. Mr. M.P.D. Cooray	8,776	8,607
7. Mr. D.P.N. Rodrigo (Chief Operating Officer)	26,164	25,702
8. Mr. O. H. S. Chandrawansa	-	-
9. Mr. P.R. Saldin	3,242	3,180
10. Mr. N. Jayawardena	-	-
11. Mr. K. Gunawardena (Appointed w.e.f. 21st January 2022)	-	N/A
12. Mr. R. Gunawardana (Appointed w.e.f. 21st January 2022)	24,362	N/A
13. Dr. T.K.D.A.P. Samarasinghe (Appointed w.e.f. 26th October 2022) Alternate Director to Mr. L.U.D. Fernando w.e.f. 5th July 2019	-	-

20 MAJOR SHAREHOLDERS (VOTING) AS AT 30TH SEPTEMBER 2022

	Name	No. of shares	% on total voting capital
1.	BROWNS INVESTMENTS PLC (CONSISTING OF SAMPATH BANK PLC/ BROWNS INVESTMENTS PLC & BROWNS INVESTMENTS PLC ACCOUNTS)	42,781,221	9.99
2.	EMPLOYEE'S PROVIDENT FUND	41,760,448	9.75
3.	SRI LANKA INSURANCE CORPORATION LTD-LIFE FUND	35,420,657	8.27
4.	MILFORD EXPORTS (CEYLON) (PVT) LIMITED	33,879,251	* 7.91
5.	STASSEN EXPORTS (PVT) LIMITED	29,365,409	* 6.85
6.	MR. S.E. CAPTAIN	27,893,390	6.51
7.	SONETTO HOLDINGS LIMITED	21,057,534	4.91
8.	SRI LANKA INSURANCE CORPORATION LTD-GENERAL FUND	18,197,265	4.25
9.	DISTILLERIES COMPANY OF SRI LANKA PLC	13,138,456	* 3.07
10.	CITIBANK NEWYORK S/A NORGES BANK ACCOUNT 2	12,648,965	2.95
11.	NATIONAL SAVINGS BANK	12,293,280	2.87
12.	DON AND DON HOLDINGS (PRIVATE) LIMITED (CONSISTING OF PEOPLE'S LEASING & FINANCE PLC / DON AND DON HOLDINGS (PRIVATE) LIMITED & DON AND DON HOLDINGS (PRIVATE) LIMITED)	11,612,806	2.71
13.	RBC INVESTOR SERVICES TRUST-RBC EMERGING MARKETS SMALL-CAP EQUITY FUND	11,054,075	2.58
14.	MR. D.N.N. LOKUGE	8,909,890	2.08
15.	STANDARD CHARTERED BANK SINGAPORE S/A HL BANK SINGAPORE BRANCH	8,041,493	1.88
16.	MS. L.A. CAPTAIN	8,007,163	1.87
17.	FINCO HOLDINGS (PRIVATE) LIMITED	4,500,000	1.05
18.	SIMONAS TRUST SERVICE PVT LTD	4,360,582	1.02
19.	EMPLOYEES TRUST FUND BOARD	3,162,155	0.74
20.	MR. S.V. SOMASUNDERAM	2,745,197	0.64

* 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 17.83% 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 2022

	Name	No. of shares	% on total non-voting capital
1.	BROWNS INVESTMENTS PLC (CONSISTING OF SAMPATH BANK PLC/BROWNS INVESTMENTS PLC & BROWNS INVESTMENTS PLC ACCOUNTS)	49,131,696	45.87
2.	ACUITY PARTNERS (PVT) LIMITED/MR. ELAYATHAMBY THAVAGNANASOORIYAM / MR. ELAYATHAMBY THAVAGNANASUNDARAM	5,372,196	5.02
3.	AKBAR BROTHERS PVT LTD A/C NO 1	4,745,503	4.43
4.	MR. S.E. CAPTAIN	1,658,622	1.55
5.	EMPLOYEES TRUST FUND BOARD	1,581,198	1.48
6.	HATTON NATIONAL BANK PLC A/C NO 2	770,799	0.72
7.	SABOOR CHATOOR (PVT) LTD	733,462	0.68
8.	MR. E. CHATOOR	694,370	0.65
9.	MR. J.D. BANDARANAYAKE (JOINT - 1 : DR. V. BANDARANAYAKE & JOINT 2 : MISS I. BANDARANAYAKE)	588,621	0.55
10.	MR. J.D. BANDARANAYAKE (JOINT - 1 : MISS N. BANDARANAYAKE & JOINT 2 : DR. V. BANDARANAYAKE)	588,521	0.55
11.	E.W. BALASURIYA & CO. (PVT) LTD	535,046	0.50
12.	PEOPLE'S LEASING & FINANCE PLC/MR. I.D.R. PERERA	524,116	0.49
13.	DON AND DON HOLDINGS PRIVATE LIMITED	471,409	0.44
14.	MISS R.H. ABDULHUSSEIN	461,334	0.43
15.	MR. M.J. FERNANDO	438,508	0.41
16.	DR. R.D. BANDARANAIKE	414,547	0.39
17.	HATTON NATIONAL BANK PLC - ARPICO ATARAXIA EQUITY INCOME FUND	391,414	0.37
18.	LANKA SYNTHETIC FIBRE CO LTD	390,200	0.36
19.	MR. Y.H. ABDULHUSSEIN	380,768	0.36
20.	MR. M. V. THEAGARAJAH	356,904	0.33

ANALYSIS OF LOANS & ADVANCES AND IMPAIRMENT

As at	BANK		GROUP	
	30.09.2022	31.12.2021	30.09.2022	31.12.2021
	Rs.000	Rs.000	Rs.000	Rs.000
1) Gross loans and advances to customers	1,050,352,647	928,971,730	1,094,047,555	968,911,217
Less: Accumulated impairment under stage 1	8,127,136	6,494,958	7,773,763	5,157,121
Accumulated impairment under stage 2	13,364,451	10,188,641	15,637,005	12,312,473
Accumulated impairment under stage 3	54,931,569	36,033,438	58,645,094	40,188,279
Net loans and advances to customers	973,929,491	876,254,693	1,011,991,693	911,253,345
Product-wise gross loans and advances to customers				
By product - Domestic currency				
Overdrafts	127,712,659	113,600,698	127,415,056	113,481,699
Bills of exchange	299,511	365,386	299,511	365,386
Commercial papers	159,738	153,705	159,738	153,705
Short term loans	130,558,018	114,458,781	130,968,139	114,862,283
Credit cards	13,940,398	12,136,458	13,940,398	12,136,458
Trust receipts	21,183,129	18,489,245	21,183,129	18,489,245
Packing credit loans	9,031,161	7,069,426	9,031,161	7,069,426
Staff loans	15,193,789	18,504,857	15,475,443	19,087,913
Term loans	396,530,164	397,395,537	425,909,890	421,365,622
Lease rentals receivable	72,377,773	67,614,665	86,298,783	80,655,937
Housing loans	53,083,627	48,160,735	53,083,627	48,160,735
Pawning advances	47,344,323	28,085,905	47,344,323	30,146,476
Securitized notes	890,124	1,351,560	890,124	1,351,560
Sub total	888,304,414	827,386,958	931,999,322	867,326,445
By product-Foreign Currency				
Overdrafts	6,041,057	2,426,175	6,041,057	2,426,175
Bills of exchange	2,221,545	963,469	2,221,545	963,469
Short term loans	13,395,030	1,563,249	13,395,030	1,563,249
Trust receipts	3,911,399	5,087,604	3,911,399	5,087,604
Packing credit loans	25,644,389	14,013,242	25,644,389	14,013,242
Term loans	107,216,099	75,110,537	107,216,099	75,110,537
Lease rentals receivable	522,443	220,958	522,443	220,958
Housing loans	3,096,271	2,199,538	3,096,271	2,199,538
Sub total	162,048,233	101,584,772	162,048,233	101,584,772
Total	1,050,352,647	928,971,730	1,094,047,555	968,911,217
Movements in stage-wise impairment of loans & advances during the period				
	Bank			
	Stage 1	Stage 2	Stage 3	Total
	Rs.000	Rs.000	Rs.000	Rs.000
Opening balance as at 1st January 2021	3,091,724	8,058,780	30,812,232	41,962,736
Net impairment charge for the period	3,265,045	1,891,582	4,628,506	9,785,133
Other movements	-	-	245,835	245,835
Closing balance as at 30th September 2021	6,356,769	9,950,362	35,686,573	51,993,704
Opening balance as at 1st January 2022	6,494,958	10,188,641	36,033,438	52,717,037
Net impairment charge for the period	1,466,803	2,365,261	13,712,756	17,544,820
Other movements	165,375	810,549	5,185,375	6,161,299
Closing balance as at 30th September 2022	8,127,136	13,364,451	54,931,569	76,423,156
	Group			
	Stage 1	Stage 2	Stage 3	Total
	Rs.000	Rs.000	Rs.000	Rs.000
Opening balance as at 1st January 2021	3,799,787	8,284,622	33,820,590	45,904,999
Net impairment charge for the period	3,904,433	1,891,582	4,628,506	10,424,521
Write-offs during the period	-	-	(783,020)	(783,020)
Other movements	-	-	245,835	245,835
Closing balance as at 30th September 2021	7,704,220	10,176,204	37,911,911	55,792,335
Opening balance as at 1st January 2022	5,157,121	12,312,473	40,188,279	57,657,873
Net impairment charge for the period	2,495,973	2,365,261	13,712,756	18,573,990
Write-offs during the period	-	-	(441,316)	(441,316)
Other movements	120,669	959,271	5,185,375	6,265,315
Closing balance as at 30th September 2022	7,773,763	15,637,005	58,645,094	82,055,862

ANALYSIS OF COMMITMENTS, CONTINGENCIES AND IMPAIRMENT

As at	BANK		GROUP	
	30.09.2022	31.12.2021	30.09.2022	31.12.2021
	Rs.000	Rs.000	Rs.000	Rs.000
2) Gross commitments and contingencies	833,302,737	676,242,350	833,302,737	676,242,350
Less : Accumulated impairment under stage 1	1,691,762	789,147	1,691,762	789,147
Accumulated impairment under stage 2	419,066	154,772	419,066	154,772
Accumulated impairment under stage 3	1,684,191	1,249,055	1,684,191	1,249,055
	829,507,718	674,049,376	829,507,718	674,049,376
Product-wise commitments and contingencies				
By Product - Domestic Currency				
Documentary credit	645,646	668,552	645,646	668,552
Guarantees	51,849,760	59,686,884	51,849,760	59,686,884
Acceptances	4,710	237,321	4,710	237,321
Bills for collection	692,127	644,150	692,127	644,150
Forward exchange contracts				
Forward exchange sales	-	-	-	-
Forward exchange purchases	14,343,534	18,584,454	14,343,534	18,584,454
Cheques sent on clearing	5,933,671	4,069,632	5,933,671	4,069,632
Undrawn credit lines	399,100,204	420,416,157	399,100,204	420,416,157
Sub total	472,569,652	504,307,150	472,569,652	504,307,150
By Product - Foreign Currency				
Documentary credit	22,302,598	31,899,247	22,302,598	31,899,247
Guarantees	59,603,163	41,087,552	59,603,163	41,087,552
Acceptances	13,531,016	22,099,563	13,531,016	22,099,563
Bills for collection	29,924,319	20,236,767	29,924,319	20,236,767
Forward exchange contracts				
Forward exchange sales	447,373	12,150,970	447,373	12,150,970
Forward exchange purchases	8,321,329	25,740,382	8,321,329	25,740,382
Cheques sent on clearing	25,826	-	25,826	-
Undrawn credit lines	226,577,461	18,720,719	226,577,461	18,720,719
Sub total	360,733,085	171,935,200	360,733,085	171,935,200
Total	833,302,737	676,242,350	833,302,737	676,242,350
Movements in stage-wise impairment of commitments and contingencies during the period				
	BANK / GROUP			
	Stage 1	Stage 2	Stage 3	Total
	Rs.000	Rs.000	Rs.000	Rs.000
Opening balance as at 1st January 2021	735,795	256,266	1,218,185	2,210,246
Net impairment charge for the period	88,589	(56,373)	214,359	246,575
Closing balance as at 30th September 2021	824,384	199,893	1,432,544	2,456,821
Opening balance as at 1st January 2022	789,147	154,772	1,249,055	2,192,974
Net impairment charge for the period	902,615	264,294	435,136	1,602,045
Closing balance as at 30th September 2022	1,691,762	419,066	1,684,191	3,795,019

ANALYSIS OF DEPOSITS

As at	BANK		GROUP	
	30.09.2022 Rs.000	31.12.2021 Rs.000	30.09.2022 Rs.000	31.12.2021 Rs.000
3) Due to Customers - By product				
By product-Domestic Currency				
Current account deposits	63,915,371	67,433,359	63,677,421	67,180,885
Savings deposits	276,477,951	315,592,442	279,157,858	318,074,247
Time deposits	650,291,032	462,006,964	683,912,779	491,465,520
Certificates of deposit	305,994	322,715	305,994	322,715
Margin deposits	2,548,440	1,844,970	2,548,440	1,844,970
Sub total	993,538,788	847,200,450	1,029,602,492	878,888,337
By product- Foreign Currency				
Current account deposits	11,123,005	5,770,679	11,123,005	5,770,679
Savings deposits	77,564,654	52,156,901	77,535,649	52,113,034
Time deposits	261,928,059	170,192,821	261,375,448	169,905,334
Margin deposits	1,921,431	388,436	1,921,431	388,436
Sub total	352,537,149	228,508,837	351,955,533	228,177,483
Total	1,346,075,937	1,075,709,287	1,381,558,025	1,107,065,820

FAIR VALUE DISCLOSURE OF FINANCIAL INSTRUMENTS

The Group measures the fair values of financial instruments using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1: Fair value measurement using unadjusted quoted market prices

When available, the fair values of financial instruments are determined using quoted market prices (unadjusted) in active markets for identical instruments. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis. Accordingly, the fair values of treasury bills and bonds have been derived using the market yields and market prices published by Central Bank of Sri Lanka while fair value of quoted equity securities and Sri Lanka Sovereign Bonds have been valued using the quoted market prices as at the reporting date.

Level 2: Fair value measurement using significant observable inputs

In the absence of an active market for a financial instrument, the fair value is determined using quoted market prices in active markets for similar instruments or quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques in which all significant inputs are directly or indirectly observable from market data. The spot and forward premiums available as at the reporting date have been used to estimate the fair value of derivative financial instruments while the fair value of unquoted units have been measured using manager's selling prices. The fair values of financial assets and financial liabilities carried at amortised cost have been estimated by comparing the interest rates when they were first recognised with the current market rates of similar instruments.

Level 3: Fair value measurement using significant unobservable inputs

Financial instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation.

There are no material changes in the fair value of financial assets categorised under Level 3 compared to the values reported as at 31st December 2021. The Group has not changed the valuation models and assumptions used to measure the fair values of Level 3 financial instruments during the period ended 30th September 2022.

FINANCIAL ASSETS & LIABILITIES MEASURED AT FAIR VALUE - FAIR VALUE HIERARCHY

As at 30th September 2022	BANK				GROUP			
	Level 1 Rs.000	Level 2 Rs.000	Level 3 Rs.000	Total Rs.000	Level 1 Rs.000	Level 2 Rs.000	Level 3 Rs.000	Total Rs.000
Financial assets measured at fair value								
Derivative financial instruments	-	5,144,682	-	5,144,682	-	5,144,682	-	5,144,682
Financial assets measured at fair value through profit or loss	118,111	-	-	118,111	281,400	-	-	281,400
Financial assets measured at fair value through other comprehensive income	2,468,992	198,758	27,839	2,695,589	6,419,593	198,758	30,551	6,648,902
Total financial assets measured at fair value	2,587,103	5,343,440	27,839	7,958,382	6,700,993	5,343,440	30,551	12,074,984
Financial liabilities measured at fair value								
Derivative financial instruments	-	18,868	-	18,868	-	18,868	-	18,868
Total financial liabilities measured at fair value	-	18,868	-	18,868	-	18,868	-	18,868

As at 31st December 2021	BANK				GROUP			
	Level 1 Rs.000	Level 2 Rs.000	Level 3 Rs.000	Total Rs.000	Level 1 Rs.000	Level 2 Rs.000	Level 3 Rs.000	Total Rs.000
Financial assets measured at fair value								
Derivative financial instruments	-	927,487	-	927,487	-	927,487	-	927,487
Financial assets measured at fair value through profit or loss	103,365	-	-	103,365	669,056	193,585	-	862,641
Financial assets measured at fair value through other comprehensive income	202,863,849	534,745	27,839	203,426,433	210,239,191	534,745	30,551	210,804,487
Total financial assets measured at fair value	202,967,214	1,462,232	27,839	204,457,285	210,908,247	1,655,817	30,551	212,594,615
Financial liabilities measured at fair value								
Derivative financial instruments	-	353,356	-	353,356	-	353,356	-	353,356
Total financial liabilities measured at fair value	-	353,356	-	353,356	-	353,356	-	353,356

FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES CARRIED AT AMORTISED COST

As at 30th September 2022	BANK					GROUP				
	Carrying Value Rs.000	Fair Value			Total Rs.000	Carrying Value Rs.000	Fair Value			Total Rs.000
		Level 1 Rs.000	Level 2 Rs.000	Level 3 Rs.000			Level 1 Rs.000	Level 2 Rs.000	Level 3 Rs.000	
Financial Assets										
Financial assets measured at amortised cost										
Loans and advances to customers	973,929,491	-	935,925,996	-	935,925,996	1,011,991,693	-	973,955,082	-	973,955,082
Debt and other instruments	447,129,288	293,348,460	32,954,844	-	326,303,304	477,078,135	314,067,976	37,955,155	-	352,023,131
Total financial assets measured at amortised cost	1,421,058,779	293,348,460	968,880,840	-	1,262,229,300	1,489,069,828	314,067,976	1,011,910,237	-	1,325,978,213
Financial Liabilities										
Financial liabilities measured at amortised cost										
Due to depositors	1,346,075,937	-	1,349,861,041	-	1,349,861,041	1,381,558,025	-	1,383,805,479	-	1,383,805,479
Other borrowings	33,769,005	-	33,769,005	-	33,769,005	36,390,948	-	36,157,374	-	36,157,374
Debt securities issued	1,999,394	-	1,962,028	-	1,962,028	2,540,391	-	2,503,025	-	2,503,025
Subordinated term debts	22,783,787	-	16,797,868	-	16,797,868	23,730,020	-	17,238,002	-	17,238,002
Total financial liabilities measured at amortised cost	1,404,628,123	-	1,402,389,942	-	1,402,389,942	1,444,219,384	-	1,439,703,880	-	1,439,703,880

As at 31st December 2021	BANK					GROUP				
	Carrying Value Rs.000	Fair Value			Total Rs.000	Carrying Value Rs.000	Fair Value			Total Rs.000
		Level 1 Rs.000	Level 2 Rs.000	Level 3 Rs.000			Level 1 Rs.000	Level 2 Rs.000	Level 3 Rs.000	
Financial Assets										
Financial assets measured at amortised cost										
Loans and advances to customers	876,254,693	-	879,098,776	-	879,098,776	911,253,345	-	911,197,915	-	911,197,915
Debt and other instruments	160,677,520	70,059,563	48,960,905	-	119,020,468	171,930,640	74,513,315	54,992,275	814,264	130,319,854
Total financial assets measured at amortised cost	1,036,932,213	70,059,563	928,059,681	-	998,119,244	1,083,183,985	74,513,315	966,190,190	814,264	1,041,517,769
Financial Liabilities										
Financial liabilities measured at amortised cost										
Due to depositors	1,075,709,287	-	1,076,410,109	-	1,076,410,109	1,107,065,820	-	1,107,178,468	-	1,107,178,468
Other borrowings	24,747,869	-	24,747,869	-	24,747,869	25,555,834	-	25,555,834	-	25,555,834
Debt securities issued	1,962,749	-	2,067,803	-	2,067,803	2,465,085	-	2,565,609	-	2,565,609
Subordinated term debts	23,552,323	-	24,436,735	-	24,436,735	24,391,912	-	25,362,475	-	25,362,475
Total financial liabilities measured at amortised cost	1,125,972,228	-	1,127,662,516	-	1,127,662,516	1,159,478,651	-	1,160,662,386	-	1,160,662,386

The carrying values of assets and liabilities listed below are reasonable approximation of their fair values since, those are short term in nature or re-priced to current market rates frequently:

Assets	Liabilities
Cash and cash equivalents	Due to banks
Balances with Central Bank of Sri Lanka	Securities sold under repurchase agreements
Placements with banks	Other borrowings
Securities purchased under resale agreements	Dividends payable
Other assets	Other liabilities