



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

**Interim Financial Statements
for the Six Months Ended 30th June 2014**

INCOME STATEMENT

	BANK						GROUP					
	For the 6 months ended 30th June			For the quarter ended 30th June			For the 6 months ended 30th June			For the quarter ended 30th June		
	2014	2013	% Increase/ (Decrease)	2014	2013	% Increase/ (Decrease)	2014	2013 (Restated)	% Increase/ (Decrease)	2014	2013 (Restated)	% Increase/ (Decrease)
	Rs 000	Rs 000		Rs 000	Rs 000		Rs 000	Rs 000		Rs 000	Rs 000	
Income	29,256,219	30,238,737	(3)	14,603,319	15,610,672	(6)	31,504,238	32,241,392	(2)	15,768,212	16,674,255	(5)
Interest income	25,200,830	28,246,011	(11)	12,150,340	14,558,152	(17)	25,542,189	28,522,715	(10)	12,322,414	14,710,269	(16)
Interest expenses	14,509,711	15,699,540	(8)	7,071,027	8,115,125	(13)	14,494,373	15,691,134	(8)	7,061,563	8,109,970	(13)
Net interest income	10,691,119	12,546,471	(15)	5,079,313	6,443,027	(21)	11,047,816	12,831,581	(14)	5,260,851	6,600,299	(20)
Fee and commission income	2,448,947	2,043,759	20	1,214,572	1,005,529	21	2,520,075	2,162,880	17	1,229,376	1,101,069	12
Fee and commission expenses	40,949	41,161	(1)	21,987	20,696	6	283,801	281,273	1	124,922	142,387	(12)
Net fee and commission income	2,407,998	2,002,598	20	1,192,585	984,833	21	2,236,274	1,881,607	19	1,104,454	958,682	15
Net interest, fee and commission income	13,099,117	14,549,069	(10)	6,271,898	7,427,860	(16)	13,284,090	14,713,188	(10)	6,365,305	7,558,981	(16)
Net gain/(loss) from trading	(268,931)	(1,015,130)	74	(532,134)	7,069	(7,628)	(224,242)	(980,791)	77	(502,573)	30,607	(1,742)
Net gain/(loss) from financial instruments designated at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	-	-
Net gain/(loss) from financial investments	1,074,120	204,877	424	1,052,798	185,277	468	1,078,324	204,877	426	1,057,186	186,278	468
Other operating income (net)	801,253	759,220	6	717,743	(145,355)	594	2,587,892	2,331,711	11	1,661,809	646,032	157
Total operating income	14,705,559	14,498,036	1	7,510,305	7,474,851	-	16,726,064	16,268,985	3	8,581,727	8,421,898	2
Impairment for loans and other losses												
Individual impairment	36,405	328,571	(89)	(60,285)	189,691	(132)	36,405	328,571	(89)	(60,285)	189,691	(132)
Collective impairment	797,373	2,382,060	(67)	(439,823)	1,520,697	(129)	797,373	2,382,060	(67)	(439,823)	1,520,697	(129)
Others	180,749	(21,657)	935	73,559	(45,802)	261	180,749	(21,657)	935	73,559	(45,802)	261
Net operating income	13,691,032	11,809,062	16	7,936,854	5,810,265	37	15,711,537	13,580,011	16	9,008,276	6,757,312	33
Operating expenses												
Personnel expenses	3,686,968	2,272,858	62	1,888,663	307,445	514	3,964,832	2,535,769	56	2,012,139	446,936	350
Depreciation and amortisation	580,328	526,849	10	292,174	268,525	9	676,204	621,259	9	340,559	315,832	8
Other expenses	3,590,316	3,437,642	4	1,747,824	1,778,263	(2)	4,945,971	4,593,437	8	2,452,888	2,386,069	3
	7,857,612	6,237,349	26	3,928,661	2,354,233	67	9,587,007	7,750,465	24	4,805,586	3,148,837	53
Operating profit before value added tax (VAT)	5,833,420	5,571,713	5	4,008,193	3,456,032	16	6,124,530	5,829,546	5	4,202,690	3,608,475	16
Value added tax (VAT) on financial services	888,183	875,334	1	358,461	425,732	(16)	888,183	875,334	1	529,722	449,602	18
Operating profit after value added tax (VAT)	4,945,237	4,696,379	5	3,649,732	3,030,300	20	5,236,347	4,954,212	6	3,672,968	3,158,873	16
Share of profits of Associate and Joint Venture	-	-	-	-	-	-	31,677	53,887	(41)	27,235	44,085	(38)
Profit before tax	4,945,237	4,696,379	5	3,649,732	3,030,300	20	5,268,024	5,008,099	5	3,700,203	3,202,958	16
Tax expenses	1,562,098	1,554,462	-	1,114,966	1,022,466	9	1,575,545	1,573,371	-	1,130,559	1,038,484	9
Profit for the period	3,383,139	3,141,917	8	2,534,766	2,007,834	26	3,692,479	3,434,728	8	2,569,644	2,164,474	19
Profit attributable to:												
Owners of the parent	3,383,139	3,141,917	8	2,534,766	2,007,834	26	3,647,271	3,411,932	7	2,550,180	2,149,742	19
Non-controlling interests	-	-	-	-	-	-	45,208	22,796	98	19,464	14,732	32
Profit for the period	3,383,139	3,141,917	8	2,534,766	2,007,834	26	3,692,479	3,434,728	8	2,569,644	2,164,474	19
Earnings per share on profit												
Basic earnings per ordinary share (Rs.)	8.46	7.90	7	5.90	4.98	18	9.12	8.58	6	6.37	5.40	18
Diluted earnings per ordinary share (Rs.)	8.43	7.87	7	5.89	4.96	19	9.09	8.54	6	6.35	5.38	18

STATEMENT OF COMPREHENSIVE INCOME

	BANK						GROUP					
	For the 6 months ended 30th June			For the quarter ended 30th June			For the 6 months ended 30th June			For the quarter ended 30th June		
	2014	2013	% Increase/ (Decrease)	2014	2013	% Increase/ (Decrease)	2014	2013 (Restated)	% Increase/ (Decrease)	2014	2013 (Restated)	% Increase/ (Decrease)
	Rs 000	Rs 000		Rs 000	Rs 000		Rs 000	Rs 000		Rs 000	Rs 000	
Profit for the period	3,383,139	3,141,917	8	2,534,766	2,007,834	26	3,692,479	3,434,728	8	2,569,644	2,164,474	19
Other comprehensive income, net of tax												
Gains and losses arising from translating the financial statements of foreign operations	-	-	-	-	-	-	-	1,764	(100)	-	2,265	(100)
Net change in fair value on available-for-sale financial assets	843,025	1,137,310	(26)	192,066	303,233	(37)	865,939	1,147,454	(25)	207,470	303,724	(32)
Transfer to life policy holder reserve fund	-	-	-	-	-	-	(23,522)	(8,344)	(182)	(15,399)	(499)	(2,986)
Net amount transferred to profit or loss - AFS financial assets	(645,437)	-	-	(645,437)	-	-	(645,437)	-	-	(645,437)	-	-
Share of Other Comprehensive income of associates and Joint Venture	-	-	-	-	-	-	(4,889)	629	(877)	(3,917)	(115)	(3,306)
Other comprehensive income for the period, net of taxes	197,588	1,137,310	(83)	(453,371)	303,233	(250)	192,091	1,141,503	(83)	(457,283)	305,375	(250)
Total comprehensive income for the period	3,580,727	4,279,227	(16)	2,081,395	2,311,067	(10)	3,884,570	4,576,231	(15)	2,112,361	2,469,849	(14)
Total comprehensive income attributable to:												
Owners of the parent	3,580,727	4,279,227	(16)	2,081,395	2,311,067	(10)	3,839,606	4,551,657	(16)	2,092,896	2,453,762	(15)
Non-controlling interests	-	-	-	-	-	-	44,964	24,574	83	19,465	16,087	21
Total comprehensive income for the period	3,580,727	4,279,227	(16)	2,081,395	2,311,067	(10)	3,884,570	4,576,231	(15)	2,112,361	2,469,849	(14)

STATEMENT OF FINANCIAL POSITION

	BANK			GROUP		
	As at 30.06.2014 Rs.000	As at 31.12.2013 (Audited) Rs.000	% Increase / (Decrease)	As at 30.06.2014 Rs.000	As at 31.12.2013 (Restated) Rs.000	% Increase / (Decrease)
ASSETS						
Cash and cash equivalents	9,914,998	11,624,645	(15)	9,970,697	11,621,193	(14)
Balances with central banks	16,076,319	16,366,368	(2)	16,076,319	16,366,368	(2)
Placements with banks	431,851	1,246,611	(65)	2,166,395	2,990,099	(28)
Derivative financial instruments	208,749	174,573	20	208,749	174,573	20
Other financial assets held-for-trading	13,199,402	652,312	1,923	13,581,841	986,391	1,277
Financial assets designated at fair value through profit or loss	-	-	-	-	-	-
Loans and receivables to banks	7,418,772	6,267,809	18	7,418,772	6,267,809	18
Loans and receivables to other customers	351,752,221	351,976,401	-	352,345,924	352,499,145	-
Financial investments – Available-for-sale	74,463,560	63,391,086	17	75,880,826	64,035,975	18
Financial investments – Held-to-maturity	-	-	-	831,902	931,681	(11)
Financial investments – Loans and Receivables	33,285,239	33,104,536	1	35,487,452	35,103,762	1
Investments in Associate and Joint Venture	655,000	655,000	-	1,126,374	1,075,140	5
Investments in subsidiaries	2,357,285	2,357,285	-	-	-	-
Investment properties	394,823	346,478	14	209,487	160,864	30
Property, plant and equipment	9,429,861	9,521,496	(1)	17,603,759	17,769,878	(1)
Intangible assets	874,526	994,677	(12)	926,268	1,048,866	(12)
Deferred tax assets	980,684	767,826	28	868,869	655,768	32
Other assets	12,190,895	10,863,333	12	12,608,092	11,191,706	13
Total assets	533,634,185	510,310,436	5	547,311,726	522,879,218	5
LIABILITIES						
Due to banks	32,334,988	34,934,217	(7)	32,334,988	34,934,217	(7)
Derivative financial instruments	380,216	748,962	(49)	380,216	748,962	(49)
Other financial liabilities held-for-trading	-	-	-	-	-	-
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-	-
Due to other customers	407,518,617	385,360,970	6	407,138,682	385,066,624	6
Other borrowings	11,934,551	8,663,102	38	11,934,551	8,663,102	38
Debt securities issued	1,513,707	1,418,775	7	1,492,744	1,399,184	7
Current tax liabilities	4,294,749	3,040,107	41	4,343,581	3,075,252	41
Insurance provision - Life	-	-	-	5,031,110	4,348,491	16
Insurance provision - Non-Life	-	-	-	1,239,370	1,011,101	23
Other provisions	1,741,966	2,919,320	(40)	1,769,649	2,944,691	(40)
Other liabilities	10,315,147	9,914,569	4	10,915,212	10,535,005	4
Due to subsidiaries	-	-	-	-	-	-
Subordinated term debts	11,256,495	11,856,560	(5)	11,184,575	11,781,709	(5)
Total liabilities	481,290,436	458,856,582	5	487,764,678	464,508,338	5

STATEMENT OF FINANCIAL POSITION

	BANK		% Increase / (Decrease)	GROUP		
	As at 30.06.2014 Rs.000	As at 31.12.2013 (Audited) Rs.000		As at 30.06.2014 Rs.000	As at 31.12.2013 (Restated) Rs.000	
EQUITY						
Stated capital	12,940,348	12,830,268	1	12,940,348	12,830,268	1
Statutory reserve funds	7,053,490	6,761,205	4	7,053,490	6,761,205	4
Retained earnings	3,755,361	3,465,419	8	5,788,468	5,210,483	11
Other reserves	28,594,550	28,396,962	1	32,975,537	32,759,683	1
Total shareholders' equity	52,343,749	51,453,854	2	58,757,843	57,561,639	2
Non-controlling interests	-	-	-	789,205	809,241	(2)
Total equity	52,343,749	51,453,854	2	59,547,048	58,370,880	2
Total equity and liabilities	533,634,185	510,310,436	5	547,311,726	522,879,218	5
Contingent liabilities and commitments	232,234,317	174,070,970	33	232,234,317	174,070,970	33
Net Assets Value per Share (Rs.)	130.69	128.78	1	146.70	144.06	2
Memorandum Information						
Number of Employees	4,531	4,604				
Number of Branches	250	250				

CERTIFICATION

I certify that the above financial statements are in compliance with the requirements of the Companies Act No. 7 of 2007 and give a true and fair view of the state of affairs of Hatton National Bank PLC and the Group as at 30th June 2014 and its profit for the six months ended 30th June 2014.

(Sgd.)

Ashok Goonesekere

Chief Financial Officer

08th August 2014

We the undersigned, being the Senior Director and the Chairperson of Hatton National Bank PLC certify jointly that :

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

(Sgd.)

Rose Cooray

Senior Director

08th August 2014

(Sgd.)

Ranee Jayamaha

Chairperson

08th August 2014

STATEMENT OF CHANGES IN EQUITY - BANK

	Stated Capital		Statutory Reserves		Available for Sale Reserve	Other Reserves			Retained Earnings	Total Equity
	Voting	Non-voting	Reserve Fund	Investment Fund *		Capital Reserve	General Reserve	ESOP Reserve		
For the 6 months ended 30th June 2014	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Balance as at 31st December 2013	10,254,944	2,575,324	2,660,000	4,101,205	4,413,828	4,466,918	19,100,000	416,216	3,465,419	51,453,854
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	-	-	3,383,139	3,383,139
Other Comprehensive Income for the period (net of tax)	-	-	-	-	197,588	-	-	-	-	197,588
Total comprehensive income for the period	-	-	-	-	197,588	-	-	-	3,383,139	3,580,727
Transactions with equity holders, recognised directly in equity										
Issue of shares under ESOP	92,338	17,742	-	-	-	-	-	-	-	110,080
Final Dividend 2013	-	-	-	-	-	-	-	-	(2,800,912)	(2,800,912)
Transfer to Investment Fund	-	-	-	292,285	-	-	-	-	(292,285)	-
Total transactions with equity holders	92,338	17,742	-	292,285	-	-	-	-	(3,093,197)	(2,690,832)
Balance as at 30th June 2014	10,347,282	2,593,066	2,660,000	4,393,490	4,611,416	4,466,918	19,100,000	416,216	3,755,361	52,343,749
For the 6 months ended 30th June 2013										
Balance as at 31st December 2012	10,049,259	2,530,220	2,230,000	2,300,562	3,119,631	4,466,918	17,800,000	176,515	4,225,948	46,899,053
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	-	-	3,141,917	3,141,917
Other Comprehensive Income for the period (net of tax)	-	-	-	-	1,137,310	-	-	-	-	1,137,310
Total comprehensive income for the period	-	-	-	-	1,137,310	-	-	-	3,141,917	4,279,227
Transactions with equity holders, recognised directly in equity										
Issue of shares under ESOP	114,350	26,076	-	-	-	-	-	-	-	140,426
Final Dividend 2012	-	-	-	-	-	-	-	-	(2,782,814)	(2,782,814)
ESOP allocation - 2013	-	-	-	-	-	-	-	239,701	-	239,701
Transfer to Investment Fund	-	-	-	833,984	-	-	-	-	(833,984)	-
Total transactions with equity holders	114,350	26,076	-	833,984	-	-	-	239,701	(3,616,798)	(2,402,687)
Balance as at 30th June 2013	10,163,609	2,556,296	2,230,000	3,134,546	4,256,941	4,466,918	17,800,000	416,216	3,751,067	48,775,593

* Tax Saving on the reduction of Financial VAT and Income Tax rate transferred to the Investment Fund as per the guidelines issued by the Department of Inland Revenue and the Central Bank of Sri Lanka.

STATEMENT OF CHANGES IN EQUITY - GROUP

	Stated Capital		Statutory Reserve		Other Reserves							Retained Earnings Rs 000	Non Controlling Interest Rs 000	Total Equity Rs 000	
	Voting Rs 000	Non-voting Rs 000	Reserve Fund Rs 000	Investment Fund* Rs 000	Available for sale Reserve Rs 000	Treasury Shares Rs 000	Capital Reserve Rs 000	General Reserve Rs 000	ESOP Reserve Rs 000	Life policy holder reserve Fund Rs 000	Exchange Reserve Rs 000				
For the 6 months ended 30th June 2014															
Restated balance as at 31st December 2013	10,254,944	2,575,324	2,660,000	4,101,205	4,454,989	-	8,792,657	19,100,000	416,216	(4,182)	-	5,210,483	809,241	58,370,877	
Total comprehensive income for the period															
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	3,647,271	45,208	3,692,479	
Other Comprehensive Income for the period (net of tax)	-	-	-	-	192,335	-	-	-	-	-	-	-	(244)	192,091	
Total comprehensive income for the period	-	-	-	-	192,335	-	-	-	-	-	-	3,647,271	44,964	3,884,570	
Transactions with equity holders, recognised directly in equity															
Issue of shares under ESOP	92,338	17,742	-	-	-	-	-	-	-	-	-	-	-	-	110,080
Final dividend 2013	-	-	-	-	-	-	-	-	-	-	-	(2,800,912)	(65,000)	(2,865,912)	
Deemed disposal gain in Joint Venture Group	-	-	-	-	-	-	-	-	-	-	-	23,911	-	23,911	
Transfer to life policy holder reserve fund	-	-	-	-	-	-	-	-	-	23,522	-	-	-	23,522	
Transfer to Investment Fund	-	-	-	292,285	-	-	-	-	-	-	-	(292,285)	-	-	
Total transactions with equity holders	92,338	17,742	-	292,285	-	-	-	-	-	23,522	-	(3,069,286)	(65,000)	(2,708,399)	
Balance as at 30th June 2014	10,347,282	2,593,066	2,660,000	4,393,490	4,647,324	-	8,792,657	19,100,000	416,216	19,340	-	5,788,468	789,205	59,547,048	
For the 6 months ended 30th June 2013															
Balance as at 31st December 2012	10,049,259	2,530,220	2,230,000	2,300,562	3,150,301	(310,938)	8,792,657	17,800,000	176,515	(1,191)	8,544	5,321,846	969,438	53,017,213	
Prior year adjustment **	-	-	-	-	-	-	-	-	-	-	-	-	(203,325)	(203,325)	
Restated balance as at 31st December 2012	10,049,259	2,530,220	2,230,000	2,300,562	3,150,301	(310,938)	8,792,657	17,800,000	176,515	(1,191)	8,544	5,321,846	766,113	52,813,888	
Total comprehensive income for the period															
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	3,411,932	22,796	3,434,728	
Other Comprehensive Income for the period (net of tax)	-	-	-	-	1,139,019	-	-	-	-	-	706	-	1,778	1,141,503	
Total comprehensive income for the period	-	-	-	-	1,139,019	-	-	-	-	-	706	3,411,932	24,574	4,576,231	
Transactions with equity holders, recognised directly in equity															
Issue of shares under ESOP	114,350	26,076	-	-	-	-	-	-	-	-	-	-	-	140,426	
Effect on non consolidation of special purpose entity	-	-	-	-	-	310,938	-	-	-	-	-	(41,931)	-	269,007	
Final Dividend 2012	-	-	-	-	-	-	-	-	-	-	-	(2,782,814)	(55,000)	(2,837,814)	
ESOP allocation - 2013	-	-	-	-	-	-	-	-	239,701	-	-	-	-	239,701	
Deemed disposal gain in Joint Venture Group	-	-	-	-	-	-	-	-	-	-	-	24,278	-	24,278	
Transfer to life policy holder reserve fund	-	-	-	-	-	-	-	-	-	8,344	-	-	-	8,344	
Transfer to Investment Fund	-	-	-	833,984	-	-	-	-	-	-	-	(833,984)	-	-	
Total transactions with equity holders	114,350	26,076	-	833,984	-	310,938	-	-	239,701	8,344	-	(3,634,451)	(55,000)	(2,156,058)	
Balance as at 30th June 2013	10,163,609	2,556,296	2,230,000	3,134,546	4,289,320	-	8,792,657	17,800,000	416,216	7,153	9,250	5,099,327	735,687	55,234,061	

* Tax Saving on the reduction of Financial VAT and Income Tax rate transferred to the Investment Fund as per the guidelines issued by the Department of Inland Revenue and the Central Bank of Sri Lanka.

** Refer note 1 (a) of "explanatory notes"

STATEMENT OF CASH FLOWS

For the 6 months ended 30th June	BANK		GROUP	
	2014 Rs 000	2013 Rs 000	2014 Rs 000	2013 Rs 000
Cash Flows from Operating Activities				
Interest & Commission Receipts	28,293,045	27,387,935	29,430,543	27,384,420
Interest Payments	(16,809,809)	(15,646,931)	(16,792,912)	(15,639,569)
Receipts from other Operating Activities	807,325	885,617	2,682,565	2,446,563
Cash Payments to Employees	(3,684,930)	(3,625,639)	(4,003,717)	(3,916,593)
Recoveries from loans written off in previous years	5,063	4,704	5,063	4,704
Net cash effect on assets classified as held for sale	-	-	-	(63,966)
Cash Payments to Suppliers and Other Operating Activities	(5,551,193)	(4,524,055)	(5,992,939)	(5,402,535)
Operating Profit before Changes in Operating Assets & Liabilities	3,059,501	4,481,631	5,328,603	4,813,024
(Increase)/ Decrease in Operating assets				
Deposits held for Regulatory or Monetary Control Purpose	290,049	(268,429)	290,049	(268,429)
Loans and advances	(3,394,230)	(22,739,895)	(3,465,189)	(22,895,117)
Other Short Term assets	(803,809)	1,490,360	(916,617)	1,412,960
	(3,907,990)	(21,517,964)	(4,091,757)	(21,750,586)
Increase / (Decrease) in Operating Liabilities				
Deposits from Customers	23,210,316	9,532,111	23,124,727	9,474,407
Other Liabilities	116,538	(931,575)	112,435	(630,561)
	23,326,854	8,600,536	23,237,162	8,843,846
Net Cash Generated from / (used in) Operating Activities before Income Tax	22,478,365	(8,435,797)	24,474,008	(8,093,718)
Income Taxes Paid	(200,933)	(759,273)	(200,933)	(756,205)
Net Cash Generated from / (used in) Operating Activities	22,277,432	(9,195,070)	24,273,075	(8,849,923)
Cash Flows from Investing Activities				
Dividend Income	121,243	144,276	41,819	81,779
Net Proceeds from Sale, Maturity and Purchase of Financial Investments	(22,154,122)	(20,295,699)	(23,936,632)	(20,251,192)
Purchase of Property, Plant & Equipment	(333,285)	(566,269)	(346,054)	(587,263)
Purchase of Intangible Assets	(33,857)	(259,503)	(39,623)	(259,503)
Improvements to Investment Properties	(51,010)	(2,204)	(51,010)	(279)
Proceeds from Sale of Property Plant & Equipment	12,982	7,834	13,015	8,131
Net Cash Flows used in Investing Activities	(22,438,049)	(20,971,565)	(24,318,485)	(21,008,327)
Cash Flows from Financing Activities				
Increase / (Decrease) in Debentures	(282,793)	3,752,624	(282,793)	3,698,669
Increase of Borrowings / Term Loans	499,312	21,326,413	499,312	21,319,661
Dividends Paid	(2,690,389)	(2,674,213)	(2,755,389)	(2,729,213)
Proceeds from issue of shares under ESOP	110,080	140,424	110,080	140,426
Net Cash Generated from / (used in) Financing Activities	(2,363,790)	22,545,248	(2,428,790)	22,429,543
Net Decrease in Cash and Cash Equivalents	(2,524,407)	(7,621,387)	(2,474,200)	(7,428,707)
Cash and Cash Equivalents at the Beginning of the period	12,871,256	19,091,038	14,611,292	20,378,969
Cash and Cash Equivalents at the End of the period	10,346,849	11,469,651	12,137,092	12,950,262

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS - BANK

As at 30.06.2014	HFT	Designated at Fair Value	HTM	Amortised Cost	AFS	Hedging	Total
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
ASSETS							
Cash and cash equivalents	-	-	-	9,914,998	-	-	9,914,998
Balances with central banks	-	-	-	16,076,319	-	-	16,076,319
Placements with banks	-	-	-	431,851	-	-	431,851
Derivative financial instruments	208,749	-	-	-	-	-	208,749
Financial assets designated at fair value through profit or loss	-	-	-	-	-	-	-
Loans and receivables to banks	-	-	-	7,418,772	-	-	7,418,772
Loans and receivables to other customers	-	-	-	351,752,221	-	-	351,752,221
Financial investments	13,199,402	-	-	33,285,239	74,463,560	-	120,948,201
Total financial assets	13,408,151	-	-	418,879,400	74,463,560	-	506,751,111
	HFT	Designated at Fair Value	Amortised Cost	Hedging	Total		
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000		
LIABILITIES							
Due to banks	-	-	32,334,988	-	32,334,988		
Derivative financial instruments	380,216	-	-	-	380,216		
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-		
Due to other customers	-	-	407,518,617	-	407,518,617		
Other borrowings	-	-	11,934,551	-	11,934,551		
Debt securities issued	-	-	1,513,707	-	1,513,707		
Subordinated term debts	-	-	11,256,495	-	11,256,495		
Total financial liabilities	380,216	-	464,558,357	-	464,938,573		
As at 31.12.2013							
	HFT	Designated at Fair Value	HTM	Amortised Cost	AFS	Hedging	Total
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
ASSETS							
Cash and cash equivalents	-	-	-	11,624,645	-	-	11,624,645
Balances with central banks	-	-	-	16,366,368	-	-	16,366,368
Placements with banks	-	-	-	1,246,611	-	-	1,246,611
Derivative financial instruments	174,573	-	-	-	-	-	174,573
Financial assets designated at fair value through profit or loss	-	-	-	-	-	-	-
Loans and receivables to banks	-	-	-	6,267,809	-	-	6,267,809
Loans and receivables to other customers	-	-	-	351,976,401	-	-	351,976,401
Financial investments	652,312	-	-	33,104,536	63,391,086	-	97,147,934
Total financial assets	826,885	-	-	420,586,370	63,391,086	-	484,804,341
	HFT	Designated at Fair Value	Amortised Cost	Hedging	Total		
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000		
LIABILITIES							
Due to banks	-	-	34,934,217	-	34,934,217		
Derivative financial instruments	748,962	-	-	-	748,962		
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-		
Due to other customers	-	-	385,360,970	-	385,360,970		
Other borrowings	-	-	8,663,102	-	8,663,102		
Debt securities issued	-	-	1,418,775	-	1,418,775		
Subordinated term debts	-	-	11,856,560	-	11,856,560		
Total financial liabilities	748,962	-	442,233,624	-	442,982,586		
Held for trading - HFT	Designated at fair value through profit or loss - Designated at fair value		Loans and receivables/deposits at amortised cost - Amortised cost				
Held-to-maturity - HTM	Available-for-sale - AFS		Instruments of fair value and cash flow hedging - Hedging				

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS - GROUP

As at 30.06.2014	HFT	Designated at Fair Value	HTM	Amortised Cost	AFS	Hedging	Total
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
ASSETS							
Cash and cash equivalents	-	-	-	9,970,697	-	-	9,970,697
Balances with central banks	-	-	-	16,076,319	-	-	16,076,319
Placements with banks	-	-	-	2,166,395	-	-	2,166,395
Derivative financial instruments	208,749	-	-	-	-	-	208,749
Financial assets designated at fair value through profit or loss	-	-	-	-	-	-	-
Loans and receivables to banks	-	-	-	7,418,772	-	-	7,418,772
Loans and receivables to other customers	-	-	-	352,345,924	-	-	352,345,924
Financial investments	13,581,841	-	-	36,319,354	75,880,826	-	125,782,021
Total financial assets	13,790,590	-	-	424,297,461	75,880,826	-	513,968,877
	HFT	Designated at Fair Value	Amortised Cost	Hedging	Total		
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000		
LIABILITIES							
Due to banks	-	-	32,334,988	-	32,334,988		
Derivative financial instruments	380,216	-	-	-	380,216		
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-		
Due to other customers	-	-	407,138,682	-	407,138,682		
Other borrowings	-	-	11,934,551	-	11,934,551		
Debt securities issued	-	-	1,492,744	-	1,492,744		
Subordinated term debts	-	-	11,184,575	-	11,184,575		
Total financial liabilities	380,216	-	464,085,540	-	464,465,756		
	HFT	Designated at Fair Value	HTM	Amortised Cost	AFS	Hedging	Total
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
ASSETS							
Cash and cash equivalents	-	-	-	11,621,193	-	-	11,621,193
Balances with central banks	-	-	-	16,366,368	-	-	16,366,368
Placements with banks	-	-	-	2,990,099	-	-	2,990,099
Derivative financial instruments	174,573	-	-	-	-	-	174,573
Financial assets designated at fair value through profit or loss	-	-	-	-	-	-	-
Loans and receivables to banks	-	-	-	6,267,809	-	-	6,267,809
Loans and receivables to other customers	-	-	-	352,499,145	-	-	352,499,145
Financial investments	986,391	-	-	36,035,443	64,035,975	-	101,057,809
Total financial assets	1,160,964	-	-	425,780,057	64,035,975	-	490,976,996
	HFT	Designated at Fair Value	Amortised Cost	Hedging	Total		
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000		
LIABILITIES							
Due to banks	-	-	34,934,217	-	34,934,217		
Derivative financial instruments	748,962	-	-	-	748,962		
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-		
Due to other customers	-	-	385,066,624	-	385,066,624		
Other borrowings	-	-	8,663,102	-	8,663,102		
Debt securities issued	-	-	1,399,184	-	1,399,184		
Subordinated term debts	-	-	11,781,709	-	11,781,709		
Total financial liabilities	748,962	-	441,844,836	-	442,593,798		
Held for trading - HFT	Designated at fair value through profit or loss - Designated at fair value			Loans and receivables/deposits at amortised cost - Amortised cost			
Held-to-maturity - HTM	Available-for-sale - AFS			Instruments of fair value and cash flow hedging - Hedging			

SEGMENT REPORTING

For the 6 months ended 30th June	Banking		Leasing		Property		Insurance		Elimination /unallocated		Consolidated	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Total revenue from external customers	27,563,483	28,272,637	1,637,338	1,862,028	64,898	68,182	2,323,668	2,009,324	(85,149)	29,221	31,504,238	32,241,392
Inter segment revenue	55,398	104,072	-	-	380,200	323,614	25,495	19,723	(461,093)	(447,409)	-	-
Total revenue	27,618,881	28,376,709	1,637,338	1,862,028	445,098	391,796	2,349,163	2,029,047	(546,242)	(418,188)	31,504,238	32,241,392
Segment result	4,402,208	4,103,976	1,123,357	1,119,252	325,144	226,617	154,601	152,586	(92,759)	(26,960)	5,912,551	5,575,471
Unallocated expenses											(676,204)	(621,259)
Profit from operations											5,236,347	4,954,212
Income from Associates and Joint Venture											31,677	53,887
Taxes											(1,575,545)	(1,573,371)
Profit for the period											3,692,479	3,434,728
Non Controlling Interest											(45,208)	(22,796)
Profit attributable to the Equity holders of the Bank											3,647,271	3,411,932
Profit for the period											3,692,479	3,434,728
Other comprehensive Income,Net of tax	197,588	1,137,310	-	-	-	-	(608)	1,800	(4,889)	2,393	192,091	1,141,503
Total Comprehensive income for the period											3,884,570	4,576,231
Non Controlling Interest											(44,964)	(24,574)
Total comprehensive income attributable to the Equity Holders of the Bank											3,839,606	4,551,657
Total assets	511,872,691	481,920,505	21,761,494	23,449,689	7,541,379	7,814,478	8,976,539	7,562,642	(2,840,377)	(3,345,721)	547,311,726	517,401,593
Total liabilities	459,528,942	433,144,914	21,761,494	23,449,689	804,051	1,542,910	6,895,492	5,718,115	(1,225,301)	(1,688,095)	487,764,678	462,167,533
Cash flow from operating activities	21,064,680	(11,077,880)	1,212,752	1,882,810	306,880	279,627	508,043	194,406	1,180,720	(128,886)	24,273,075	(8,849,923)
Cash flow from Investing activities	(22,438,049)	(20,971,565)	-	-	-	(1,348)	(206,123)	66,682	(1,674,313)	(102,096)	(24,318,485)	(21,008,327)
Cash flow from financing activities	(2,363,790)	22,545,248	-	-	(339,889)	(227,586)	(163,000)	(137,500)	437,889	249,381	(2,428,790)	22,429,543

EXPLANATORY NOTES

1. There are no changes in accounting policies and methods of computation since the publication of annual accounts for the year 2013, other than as disclosed below.
- (a) The Group adopted Sri Lanka Accounting Standard (SLFRS 11) "Joint Arrangements" with effect from 1st January 2014 as part of its mandatory application and changed the basis of accounting for its interest in the joint venture, Acuity Partners (Pvt) Ltd.
As a result of the change, the Group now accounts for the investment in Acuity Partners (Pvt) Ltd using the equity method in accordance with LKAS 28 "Investments in Associates and Joint Ventures".
Previously, the Group accounted for its investment in the said entity using the proportionate consolidation method.
The change in accounting policy has been applied retrospectively as per Sri Lanka Accounting Standard (LKAS 8) "Accounting Policies, Changes in Accounting Estimates and Errors".
The change in accounting policy had no impact on net assets of the Group as at 31st December 2013.
2. There are no material changes during the period in the composition of assets, liabilities, contingent liabilities and use of funds raised through debentures. All known expenditure items have been provided for.
3. These interim financial statements are presented in accordance with Sri Lanka Accounting Standard (LKAS 34) "Interim Financial Reporting" and provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange.
4. Where required, figures on the audited annual financial statements have been reclassified to conform to Central Bank of Sri Lanka publication requirements.
5. Details of Employee Share Option Plan (ESOP)

	Allocation 2010*		Allocation 2012**		Allocation 2013***	
	Voting	Non voting	Voting	Non voting	Voting	Non voting
No of options brought forward	1,639,045	315,483	3,268,192	666,777	3,539,465	886,894
No of options granted in 2014	-	-	-	-	-	-
No of options exercised during the period	(467,278)	(114,693)	(139,160)	(91,703)	(140,546)	(24,924)
No of options expired during the period	(68,496)	(22,975)	(92,496)	(14,794)	(91,548)	(29,078)
No of options remaining	1,103,271	177,815	3,036,536	560,280	3,307,371	832,892
Allotment price (Rs)	111.43	65.67	145.79	81.43	142.17	110.04
Average market price for the period ended 30th June 2014 (Rs)	155.40	124.35	155.40	124.35	155.40	124.35

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

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

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

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

6. The consolidated financial statements of the Bank cover the Bank and its subsidiaries HNB Assurance PLC, Sithma Development (Pvt) Ltd & the Group's interest in Joint Venture Acuity Partners (Pvt) Ltd.
7. Bank held shares in Visa International and MasterCard Incorporated totaling to 21,008 and 30,810 shares respectively. During the period the Bank sold these shares and realized a capital gain of Rs 889 Mn. Accordingly the net change in fair value recognised in the Other Comprehensive Income had been reclassified to the Income Statement.
8. 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.
9. The Bank is proposing to acquire a holding up to 51% in Prime Grameen Micro Finance Limited subject to the satisfaction of certain conditions and the transaction is to be completed on or before 30th September 2014 as announced to the shareholders by its communication dated 4th August 2014 via the Colombo Stock Exchange.
10. There are no material events that took place after the balance sheet date which require adjustment or disclosure in the financial statements other than as disclosed in Note 9.

SELECTED PERFORMANCE INDICATORS (AS PER REGULATORY REPORTING)

	As at 30.06.2014	As at 31.12.2013	As at 30.06.2014	As at 31.12.2013
	Bank		Group	
Regulatory Capital Adequacy				
Core capital (Tier 1 Capital) Rs. Mn	38,084	41,771	41,807	45,159
Total Capital Base. Rs. Mn	49,792	53,274	52,591	57,096
Core capital adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 5%)	11.78%	12.95%	12.05%	13.33%
Total capital adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 10%)	15.00%	16.52%	15.16%	16.86%

	30.06.2014	31.12.2013
	Bank	
Assets Quality (Quality of Loan Portfolio)		
Gross Non-Performing Advances Ratio, % (net of Interest in Suspense)	4.06%	3.64%
Net Non-Performing Advances Ratio, % (net of Interest in Suspense and provisions)	1.88%	1.36%
Profitability (Annualised)		
Interest Margin, %	4.10%	5.09%
Return on Assets (before Tax), %	1.89%	2.09%
Return on Equity, %	13.04%	14.26%
Regulatory Liquidity		
Statutory Liquid Assets, Rs. Mn		
Domestic Banking unit	104,688	94,819
Off-Shore Banking Unit	7,270	7,548
Statutory Liquid Assets Ratio % (Minimum requirement 20%)		
Domestic Banking unit	24.00%	22.89%
Off-Shore Banking Unit	22.18%	22.64%

LISTED DEBENTURE INFORMATION

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

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

Quarter Ended 30th June	Yield to Maturity of Last Trade Done (% p.a)	
	2014	2013
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/A
10 year Fixed Rate (14.25% p.a.)	N/T	N/A

** The yield to maturity calculation is not applicable for floating rate debentures.

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

RATIOS OF DEBT

	30.06.2014	31.12.2013
Debt Equity Ratio (%)	57.56	59.12
Interest Cover (Times)	5.89	6.61
Yield of Comparable Govt. Security for the following HNB Debentures (% p.a.)		
2006 series 15 year maturity	10.37	12.72
2006 series 18 year maturity	11.10	12.80
2007 series 10 year maturity	8.62	12.29
2007 series 15 year maturity	10.85	12.87
2011 series 10 year maturity	10.46	12.82
2013 series 5 year maturity	9.19	12.54
2013 series 10 year maturity	10.91	N/A
N/A - Not Applicable		

SHARE INFORMATION

As at	30-June-2014	31-Dec-2013
Number of Shares		
Voting	320,100,813	319,353,829
Non-voting	80,432,692	80,201,372
Last Traded Price per Share		
Voting (Rs.)	157.00	147.00
Non-voting (Rs.)	127.00	119.00

For the Quarter Ended	30-June-2014	30-June-2013
Highest Price per Share		
Voting (Rs.)	159.30	176.00
Non-voting (Rs.)	128.00	131.00
Lowest Price per Share		
Voting (Rs.)	150.00	140.00
Non-voting (Rs.)	118.00	116.20

PUBLIC SHAREHOLDING PERCENTAGE

As at	30-June-2014
Voting	61% approx.
Non-voting	99% approx.

DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S SHAREHOLDING

	Number of shares	
	30-June-2014	31-Dec-2013
1 Dr. Raneer Jayamaha	101	101
2 Mr. A.J. Alles*	2,000	2,000
3 Ms. M.A.R.C. Cooray	5,312	5,312
4 Dr. W.W. Gamage	101	101
5 Dr. L.R. Karunaratne	1,018	1,018
6 Mr. L.U.D. Fernando	2,667	2,667
7 Mr. D.T.S.H. Mudalige	-	-
8 Miss D.S.C. Jayawardena	500	500
9 Mr. R.S. Captain	6,007	6,007
10 Mr. D.A. Cabral **	-	-

* Chief Executive Officer.

** Appointed with effect from 1st April 2014

20 MAJOR SHAREHOLDERS (VOTING) AS AT 30TH JUNE 2014

	Name	No. of shares	% on total voting capital
1.	Sri Lanka Insurance Corporation Ltd.	47,635,487	14.88
2.	Employees Provident Fund	31,836,612	9.95
3.	Milford Exports (Ceylon) Limited	25,828,280	*8.07
4.	Mr.Sohli Edelji Captain	23,705,220	7.41
5.	Stassen Exports Ltd	22,387,096	*6.99
6.	Sonetto Holdings Limited	14,697,921	4.59
7.	HSBC Int'l Nominees Ltd-JPLMU-Franklin Templeton Investment	13,876,398	4.34
8.	Distilleries Company of Sri Lanka PLC	10,016,272	*3.13
9.	National Savings Bank	9,371,940	2.93
10.	Citi Group Global Markets Ltd Agency Trading Prop. Sec.	8,593,544	2.68
11.	Standard Chartered Bank Singapore S/A HL Bank Singapore	6,420,188	2.01
12.	The Bank of New York Mellon SA/NV-CF Ruffer Total return Fund	5,138,289	1.61
13.	Employees Trust Fund Board	4,025,594	1.26
14.	The Bank of New York Mellon SA/NV-CF Ruffer Absolute return	3,448,972	1.08
15.	Northern Trust Co S/A HNC Opportunities Master Fund	3,446,941	1.08
16.	HSBC INTL Nom Ltd-UBS AG Zurich	3,195,940	1.00
17.	Ms.Leesha Anne Captain	2,870,020	0.90
18.	BNY-CF Ruffer Investment Funds : CF Ruffer Pacific Fund	2,628,518	0.82
19.	Mellon Bank N. A. - Frontier Market Opportunities Master Fund	2,580,973	0.81
20.	HSBC Int'l Nom Ltd-BBH-Pioneer Multi-Asset Real Return Fund	2,409,956	0.75

* 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 18.19% of the voting shares of the Bank) are limited to 10% of the total voting rights of the Bank with effect from 15th March 2012 as the voting rights in excess of such percentage is deemed invalid from that date.

20 MAJOR SHAREHOLDERS (NON-VOTING) AS AT 30TH JUNE 2014

	Name	No. of shares	% on total non-voting capital
1.	HSBC Intl nominees Ltd-JPLMU-Franklin Templeton Invest	7,625,980	9.48
2.	Mellon-Frontaura Global Frontier Fund LLC	7,334,507	9.12
3.	HSBC Int'l Nom Ltd-UBS AG Zurich	5,477,187	6.81
4.	The Bank of New York Mellon SA/NV-CF Ruffer Total Return Fund	2,557,103	3.18
5.	Employees Trust Fund Board	2,220,644	2.76
6.	The Bank of New York Mellon SA/NV-CF Ruffer Absolute Return	1,703,364	2.12
7.	CITI Bank NY S/A Forward International Dividend Fund	1,541,944	1.92
8.	Northern Trust Company S/A Polar Capital Funds PLC	1,447,181	1.80
9.	Mr.Sohli Edelji Captain	1,442,839	1.79
10.	National Savings Bank	1,103,175	1.37
11.	BNY-CF Ruffer Investment Funds:CF Ruffer Pacific Fund	1,011,115	1.26
12.	Akbar Brothers Pvt Ltd A/c No.01	971,950	1.21
13.	Capital Development & Investment Company PLC A/c No.02	932,306	1.16
14.	CITI Bank NY S/A Forward Select EM Dividend Fund	797,825	0.99
15.	Mr.Jayampathi Divale Bandaranayake	765,997	0.95
16.	Waldock Mackenzie Ltd/Mr.H M S Abdulhussein	623,487	0.78
17.	Bank of Ceylon A/c Ceybank Century Growth Fund	596,576	0.74
18.	Hatton National Bank PLC A/c No. 2	574,733	0.71
19.	Union Assurance PLC No. 1 A/c	521,346	0.65
20.	Pershing LLC S/A Averbach Grauson & Co.	510,000	0.63

NOTES TO THE FINANCIAL STATEMENTS

As at	BANK		GROUP	
	30.06.2014 Rs.000	31.12.2013 Rs.000	30.06.2014 Rs.000	31.12.2013 Rs.000
1) Loans and Receivables to Other Customers				
Gross loans and receivables	363,200,181	362,590,583	363,793,884	363,113,327
Less: Individual impairment	(2,064,248)	(2,027,843)	(2,064,248)	(2,027,843)
Collective impairment	(9,383,712)	(8,586,339)	(9,383,712)	(8,586,339)
Net loans and receivables	351,752,221	351,976,401	352,345,924	352,499,145
2) Loans and Receivables to Other Customers - By product				
By product-Domestic Currency				
Overdrafts	69,232,698	61,038,687	69,170,492	61,009,491
Bills of exchange	885,347	610,165	885,347	610,165
Commercial papers	152,282	-	152,282	60,372
Securities purchased under resale agreements	11,000	11,022	505,453	712,470
Short term loans	31,473,577	39,604,985	31,536,449	39,658,641
Trust receipts	12,239,702	13,368,274	12,239,702	13,368,274
Packing credit loans	229,186	235,120	229,186	235,120
Staff loans	7,691,200	7,159,143	7,952,875	7,398,588
Term loans	118,938,665	106,243,536	118,775,574	105,740,555
Lease rentals receivable	22,330,681	23,146,967	22,330,681	23,146,967
Housing loans	25,535,122	24,246,600	25,535,122	24,246,600
Pawning advances	31,929,553	46,234,919	31,929,553	46,234,919
Sub total	320,649,013	321,899,418	321,242,716	322,422,162
By product-Foreign Currency				
Overdrafts	1,603,584	1,420,266	1,603,584	1,420,266
Bills of exchange	1,680,398	1,246,832	1,680,398	1,246,832
Short term loans	1,304,057	23,940	1,304,057	23,940
Trust receipts	800,508	452,568	800,508	452,568
Packing credit loans	4,601,501	5,535,623	4,601,501	5,535,623
Term loans	31,669,577	31,168,183	31,669,577	31,168,183
Lease rentals receivable	6,787	5,855	6,787	5,855
Housing loans	884,756	837,898	884,756	837,898
Sub total	42,551,168	40,691,165	42,551,168	40,691,165
Total	363,200,181	362,590,583	363,793,884	363,113,327
For the 6 months ended 30th June				
	2014 Rs 000	2013 Rs 000	2014 Rs 000	2013 Rs 000
3) Movements in Individual and Collective Impairment during the period for Loans and Receivables to Other Customers				
Individual impairment				
Opening balance at 01st January	2,027,843	1,788,262	2,027,843	1,788,262
Charge/(Write back) to income statement	36,405	328,571	36,405	328,571
Closing balance as at 30th June	2,064,248	2,116,833	2,064,248	2,116,833
Collective impairment				
Opening balance at 01st January	8,586,339	5,815,311	8,586,339	5,815,311
Charge/(Write back) to income statement	797,373	2,382,060	797,373	2,382,060
Closing balance as at 30th June	9,383,712	8,197,371	9,383,712	8,197,371
Total impairment	11,447,960	10,314,204	11,447,960	10,314,204
4) Due to Other Customers - By product				
By product-Domestic Currency				
Current account deposits	24,509,215	22,676,557	24,334,936	22,515,521
Savings deposits	117,754,758	106,137,491	117,723,084	106,136,448
Time deposits	198,911,630	189,424,506	198,858,166	189,396,055
Certificates of deposit	1,985,420	3,928,076	1,985,420	3,928,076
Sub total	343,161,023	322,166,630	342,901,606	321,976,100
By product- Foreign Currency				
Current account deposits	1,194,120	1,161,375	1,194,120	1,161,375
Savings deposits	20,087,193	18,372,750	20,069,214	18,367,126
Time deposits	43,076,281	43,660,215	42,973,742	43,562,023
Sub total	64,357,594	63,194,340	64,237,076	63,090,524
Total	407,518,617	385,360,970	407,138,682	385,066,624