



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

**Interim Financial Statements
for the Nine Months Ended 30th September 2014**

INCOME STATEMENT

	BANK						GROUP					
	For the 9 months ended 30th September			For the quarter ended 30th September			For the 9 months ended 30th September			For the quarter ended 30th September		
	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	45,011,565	45,668,722	(1)	14,077,546	15,395,145	(9)	48,626,286	48,774,537	-	15,444,248	16,498,305	(6)
Interest income	39,359,282	42,373,354	(7)	12,480,652	14,092,503	(11)	39,888,760	42,806,768	(7)	12,668,771	14,249,213	(11)
Interest expenses	21,018,950	23,493,346	(11)	6,509,239	7,793,806	(16)	20,997,950	23,479,872	(11)	6,503,577	7,788,738	(17)
Net interest income	18,340,332	18,880,008	(3)	5,971,413	6,298,697	(5)	18,890,810	19,326,896	(2)	6,165,194	6,460,475	(5)
Fee and commission income	3,672,647	3,151,124	17	1,223,700	1,107,365	11	3,770,657	3,304,763	14	1,250,582	1,141,883	10
Fee and commission expenses	70,183	61,550	14	29,234	20,389	43	438,375	421,304	4	154,574	140,031	10
Net fee and commission income	3,602,464	3,089,574	17	1,194,466	1,086,976	10	3,332,282	2,883,459	16	1,096,008	1,001,852	9
Net interest, fee and commission income	21,942,796	21,969,582	-	7,165,879	7,385,673	(3)	22,223,092	22,210,355	-	7,261,202	7,462,327	(3)
Net gain/(loss) from trading	(680,011)	(988,309)	31	(411,080)	26,821	(1,633)	(571,866)	(970,725)	41	(347,624)	10,066	(3,553)
Net gain/(loss) from financial instruments designated at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	-	-
Net gain/(loss) from financial investments	1,093,015	224,238	387	18,895	19,361	(2)	1,110,664	229,616	384	32,340	24,739	31
Other operating income (net)	1,566,632	908,315	72	765,379	149,095	413	4,428,071	3,404,115	30	1,840,179	1,072,404	72
Total operating income	23,922,432	22,113,826	8	7,539,073	7,580,950	(1)	27,189,961	24,873,361	9	8,786,097	8,569,536	3
Impairment for loans and other losses												
Individual impairment	122,701	138,364	(11)	86,296	(190,207)	145	122,701	138,364	(11)	86,296	(190,207)	145
Collective impairment	2,265,542	2,968,546	(24)	(320,936)	551,198	(158)	2,265,542	2,968,546	(24)	(320,936)	551,198	(158)
Others	176,045	44,200	298	106,601	66,305	61	176,045	44,200	298	106,601	66,305	61
Net operating income	21,358,144	18,962,716	13	7,667,112	7,153,654	7	24,625,673	21,722,251	13	8,914,136	8,142,240	9
Operating expenses												
Personnel expenses	5,512,582	4,055,458	36	1,825,614	1,782,600	2	5,942,923	4,456,344	33	1,978,091	1,920,575	3
Depreciation and amortisation	862,144	796,699	8	281,816	269,850	4	1,006,507	937,515	7	330,303	316,256	4
Other expenses	5,075,190	5,295,529	(4)	1,632,904	1,857,887	(12)	7,335,374	7,109,073	3	2,537,433	2,515,636	1
	11,449,916	10,147,686	13	3,740,334	3,910,337	(4)	14,284,804	12,502,932	14	4,845,827	4,752,467	2
Operating profit before value added tax (VAT) & nation building tax (NBT)	9,908,228	8,815,030	12	3,926,778	3,243,317	21	10,340,869	9,219,319	12	4,068,309	3,389,773	20
Value added tax (VAT) & Nation building tax (NBT) on financial services	1,740,489	1,347,171	29	704,276	471,837	49	1,740,489	1,347,171	29	704,276	471,837	49
Operating profit after value added tax (VAT) & nation building tax (NBT)	8,167,739	7,467,859	9	3,222,502	2,771,480	16	8,600,380	7,872,148	9	3,364,033	2,917,936	15
Share of profits of associates	-	-	-	-	-	-	138,812	89,896	54	107,135	36,009	198
Profit before tax	8,167,739	7,467,859	9	3,222,502	2,771,480	16	8,739,192	7,962,044	10	3,471,168	2,953,945	18
Tax expenses	2,479,197	2,128,523	16	917,099	574,061	60	2,508,915	2,156,998	16	933,370	583,627	60
Profit for the period	5,688,542	5,339,336	7	2,305,403	2,197,419	5	6,230,277	5,805,046	7	2,537,798	2,370,318	7
Profit attributable to:												
Owners of the parent	5,688,542	5,339,336	7	2,305,403	2,197,419	5	6,166,767	5,761,916	7	2,519,496	2,349,984	7
Non-controlling interests	-	-	-	-	-	-	63,510	43,130	47	18,302	20,334	(10)
Profit for the period	5,688,542	5,339,336	7	2,305,403	2,197,419	5	6,230,277	5,805,046	7	2,537,798	2,370,318	7
Earnings per share on profit												
Basic earnings per ordinary share (Rs.)	14.21	13.41	6	5.75	5.51	4	15.40	14.47	6	6.28	5.89	7
Diluted earnings per ordinary share (Rs.)	14.15	13.36	6	5.72	5.49	4	15.34	14.41	6	6.25	5.87	6

STATEMENT OF COMPREHENSIVE INCOME

	BANK						GROUP					
	For the 9 months ended 30th September			For the quarter ended 30th September			For the 9 months ended 30th September			For the quarter ended 30th September		
	2014	2013	% Increase/ (Decrease)	2014	2013	% Increase/ (Decrease)	2014	2013	% Increase/ (Decrease)	2014	2013	% Increase/ (Decrease)
	Rs.000	Rs.000		Rs.000	Rs.000		Rs.000	Restated Rs.000		Rs.000	Restated Rs.000	
Profit for the period	5,688,542	5,339,336	7	2,305,403	2,197,419	5	6,230,277	5,805,046	7	2,537,798	2,370,318	7
Other comprehensive income, net of tax												
Gains and losses arising from translating the financial statements of foreign operations	-	-	-	-	-	-	-	1,764	(100)	-	-	-
Gain and losses on re-measuring available for-sale financial assets												
Net change in fair value on available for-sale financial assets	2,729,706	508,645	437	1,886,681	(628,665)	400	2,856,937	505,231	465	1,990,998	(642,223)	410
Transfer to life policy holder reserve fund	-	-	-	-	-	-	(126,478)	(939)	(13,369)	(102,956)	7,405	(1,490)
Net amount transferred to profit or loss												
AFS financial assets	(645,437)	-	-	-	-	-	(645,437)	-	-	-	-	-
Share of Other Comprehensive income of associates and Joint Venture	-	-	-	-	-	-	1,832	14,835	(88)	6,721	14,206	(53)
Other comprehensive income for the period, net of taxes	2,084,269	508,645	310	1,886,681	(628,665)	400	2,086,854	520,891	301	1,894,763	(620,612)	405
Total comprehensive income for the period	7,772,811	5,847,981	33	4,192,084	1,568,754	167	8,317,131	6,325,937	31	4,432,561	1,749,706	153
Total comprehensive income attributable to:												
Owners of the parent	7,772,811	5,847,981	33	4,192,084	1,568,754	167	8,253,319	6,283,489	31	4,413,712	1,731,832	155
Non-controlling interests	-	-	-	-	-	-	63,812	42,448	50	18,849	17,874	5
Total comprehensive income for the period	7,772,811	5,847,981	33	4,192,084	1,568,754	167	8,317,131	6,325,937	31	4,432,561	1,749,706	153

STATEMENT OF FINANCIAL POSITION

	As at 30.09.2014 Rs.000	BANK As at 31.12.2013 (Audited) Rs.000	% Increase / (Decrease)	As at 30.09.2014 Rs.000	GROUP As at 31.12.2013 (Restated) Rs.000	% Increase / (Decrease)
ASSETS						
Cash and cash equivalents	10,508,822	11,624,645	(10)	10,468,410	11,621,193	(10)
Balances with central banks	19,081,680	16,366,368	17	19,081,680	16,366,368	17
Placements with banks	532,970	1,246,611	(57)	1,936,316	2,990,099	(35)
Derivative financial instruments	241,762	174,573	38	241,762	174,573	38
Other financial assets held-for-trading	2,189,601	652,312	236	2,685,260	986,391	172
Financial assets designated at fair value through profit or loss	-	-	-	-	-	-
Loans and receivables to banks	13,204,641	6,267,809	111	13,204,641	6,267,809	111
Loans and receivables to other customers	366,483,060	351,976,401	4	367,761,092	352,499,145	4
Financial investments – Available-for-sale	85,674,911	63,391,086	35	87,428,970	64,035,975	37
Financial investments – Held-to-maturity	-	-	-	764,742	931,681	(18)
Financial investments – Loans and Receivables	32,873,507	33,104,536	(1)	35,175,806	35,103,762	-
Investments in subsidiaries	2,357,285	2,357,285	-	-	-	-
Investments in associates and joint ventures	655,000	655,000	-	1,236,946	1,075,140	15
Property, plant and equipment	9,345,782	9,521,496	(2)	17,487,127	17,769,878	(2)
Investment properties	393,456	346,478	14	208,294	160,864	29
Intangible assets	856,336	994,677	(14)	904,375	1,048,866	(14)
Deferred tax assets	633,455	767,826	(18)	511,712	655,768	(22)
Other assets	11,572,115	10,863,333	7	12,050,554	11,191,706	8
Total assets	556,604,383	510,310,436	9	571,147,687	522,879,218	9
LIABILITIES						
Due to banks	50,653,474	34,934,217	45	50,653,474	34,934,217	45
Derivative financial instruments	917,151	748,962	22	917,151	748,962	22
Other financial liabilities held-for-trading	-	-	-	-	-	-
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-	-
Due to other customers	405,624,939	385,360,970	5	405,336,594	385,066,624	5
Other borrowings	12,217,405	8,663,102	41	12,217,405	8,663,102	41
Debt securities issued	1,403,498	1,418,775	(1)	1,384,087	1,399,184	(1)
Current tax liabilities	4,470,535	3,040,107	47	4,525,520	3,075,252	47
Insurance provision -Life	-	-	-	5,424,353	4,348,491	25
Insurance provision -General	-	-	-	1,226,019	1,011,101	21
Other provisions	1,606,940	1,553,034	3	1,636,024	1,578,405	4
Other liabilities	11,469,335	11,280,855	2	12,103,166	11,901,291	2
Due to subsidiaries	-	-	-	-	-	-
Subordinated term debts	11,564,917	11,856,560	(2)	11,504,256	11,781,709	(2)
Total liabilities	499,928,194	458,856,582	9	506,928,049	464,508,338	9

STATEMENT OF FINANCIAL POSITION

	As at 30.09.2014 Rs.000	BANK As at 31.12.2013 (Audited) Rs.000	% Increase / (Decrease)	As at 30.09.2014 Rs.000	GROUP As at 31.12.2013 (Restated) Rs.000	% Increase / (Decrease)
EQUITY						
Stated capital	13,080,704	12,830,268	2	13,080,704	12,830,268	2
Statutory reserve fund	7,068,026	6,761,205	5	7,068,026	6,761,205	5
Retained earnings	6,046,228	3,465,419	74	8,290,145	5,210,483	59
Other reserves	30,481,231	28,396,962	7	34,972,710	32,759,683	7
Total shareholders' equity	56,676,189	51,453,854	10	63,411,585	57,561,639	10
Non-controlling interests	-	-	-	808,053	809,241	-
Total equity	56,676,189	51,453,854	10	64,219,638	58,370,880	10
Total equity and liabilities	556,604,383	510,310,436	9	571,147,687	522,879,218	9
Contingent liabilities and commitments						
Contingent liabilities and commitments	248,281,307	174,070,970	43	248,281,307	174,070,970	43
Net Assets Value per Share (Rs.)	141.09	128.78	10	157.86	144.06	10
Memorandum Information						
Number of Employees	4,492	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 September 2014 and its profit for the nine months ended 30th September 2014.

(Sgd.)

Ashok Goonesekere

Chief Financial Officer

14th November 2014

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

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

(Sgd.)

Rose Cooray

Senior Director

14th November 2014

(Sgd.)

Amal Cabraal

Director

14th November 2014

STATEMENT OF CHANGES IN EQUITY - BANK

	Stated capital		Statutory reserves		Other reserves				Retained earnings	Total Equity
	Voting	Non-voting	Reserve fund	Investment fund*	Available for Sale Reserve	Capital Reserve	General Reserve	ESOP Reserve		
For the 9 months ended 30th September 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	-	-	-	-	-	-	-	-	5,688,542	5,688,542
Other Comprehensive Income for the period (net of tax)	-	-	-	-	2,084,269	-	-	-	-	2,084,269
Total comprehensive income for the period	-	-	-	-	2,084,269	-	-	-	5,688,542	7,772,811
Transactions with equity holders, recognised directly in equity										
Issue of shares under ESOP	210,029	40,407	-	-	-	-	-	-	-	250,436
Final Dividend 2013	-	-	-	-	-	-	-	-	(2,800,912)	(2,800,912)
Transfer to Investment Fund	-	-	-	306,821	-	-	-	-	(306,821)	-
Total transactions with equity holders	210,029	40,407	-	306,821	-	-	-	-	(3,107,733)	(2,550,476)
Balance as at 30th September 2014	10,464,973	2,615,731	2,660,000	4,408,026	6,498,097	4,466,918	19,100,000	416,216	6,046,228	56,676,189
For the 9 months ended 30th September 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	-	-	-	-	-	-	-	-	5,339,336	5,339,336
Other Comprehensive Income for the period (net of tax)	-	-	-	-	508,645	-	-	-	-	508,645
Total comprehensive income for the period	-	-	-	-	508,645	-	-	-	5,339,336	5,847,981
Transactions with equity holders, recognised directly in equity										
Issue of shares under ESOP	164,513	35,758	-	-	-	-	-	-	-	200,271
Final Dividend 2012	-	-	-	-	-	-	-	-	(2,782,814)	(2,782,814)
ESOP allocation - 2013	-	-	-	-	-	-	-	239,701	-	239,701
Transfer to Investment Fund	-	-	-	1,450,803	-	-	-	-	(1,450,803)	-
Total transactions with equity holders	164,513	35,758	-	1,450,803	-	-	-	239,701	(4,233,617)	(2,342,842)
Balance as at 30th September 2013	10,213,772	2,565,978	2,230,000	3,751,365	3,628,276	4,466,918	17,800,000	416,216	5,331,667	50,404,192

* 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. As per the CBSL circular dated 31.07.2014 the operations of Investment Fund Account were ceased with effect from 1st October 2014 and the bank transferred the remaining balance in Investment Fund Account to retained earnings through the Statement of Changes in Equity.

STATEMENT OF CHANGES IN EQUITY - GROUP

	Stated capital		Statutory reserves		Other reserves							Retained Earnings	Non Controlling Interest	Total Equity	
	Voting	Non-voting	Reserve fund	Investment fund*	Available for Sale Reserve	Treasury shares	Capital Reserve	General Reserve	ESOP Reserve	Life policy holder reserve fund	Exchange equalization reserve				
	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
For the 9 months ended 30th September 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	-	-	-	-	-	-	-	-	-	-	-	6,166,767	63,510	6,230,277	
Other Comprehensive Income for the period (net of tax)	-	-	-	-	2,086,552	-	-	-	-	-	-	-	302	2,086,854	
Total comprehensive income for the period	-	-	-	-	2,086,552	-	-	-	-	-	-	6,166,767	63,812	8,317,131	
Transactions with equity holders, recognised directly in equity															
Issue of shares under ESOP	210,029	40,407	-	-	-	-	-	-	-	-	-	-	-	250,436	
Final dividend 2013	-	-	-	-	-	-	-	-	-	-	-	(2,800,912)	(65,000)	(2,865,912)	
Deemed disposal gain in Joint Venture Group	-	-	-	-	-	-	-	-	-	-	-	20,628	-	20,628	
Transfer to life policy holder reserve fund	-	-	-	-	-	-	-	-	-	126,478	-	-	-	126,478	
Transfer to Investment Fund	-	-	-	306,821	-	-	-	-	-	-	-	(306,821)	-	-	
Total transactions with equity holders	210,029	40,407	-	306,821	-	-	-	-	-	126,478	-	(3,087,105)	(65,000)	(2,468,370)	
Balance as at 30th September 2014	10,464,973	2,615,731	2,660,000	4,408,026	6,541,541	-	8,792,657	19,100,000	416,216	122,296	-	8,290,145	808,053	64,219,638	
For the 9 months ended 30th September 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 31/12/2012	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	-	-	-	-	-	-	-	-	-	-	-	5,761,916	43,130	5,805,046	
Other Comprehensive Income for the period (net of tax)	-	-	-	-	520,867	-	-	-	-	-	706	-	(682)	520,891	
Total comprehensive income for the period	-	-	-	-	520,867	-	-	-	-	-	706	5,761,916	42,448	6,325,937	
Transactions with equity holders, recognised directly in equity															
Issue of shares under ESOP	164,513	35,758	-	-	-	-	-	-	-	-	-	-	-	200,271	
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	-	-	-	-	-	-	-	-	-	-	-	29,717	-	29,717	
Effect of disposal of foreign subsidiaries	-	-	-	-	-	-	-	-	-	-	(9,250)	9,250	(29,209)	(29,209)	
Transfer to life policy holder reserve fund	-	-	-	-	-	-	-	-	-	939	-	-	-	939	
Transfer to Investment Fund	-	-	-	1,450,803	-	-	-	-	-	-	-	(1,450,803)	-	-	
Total transactions with equity holders	164,513	35,758	-	1,450,803	-	310,938	-	-	239,701	939	(9,250)	(4,236,581)	(84,209)	(2,127,388)	
Balance as at 30th September 2013	10,213,772	2,565,978	2,230,000	3,751,365	3,671,168	-	8,792,657	17,800,000	416,216	(252)	-	6,847,181	724,352	57,012,437	

* 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.

As per the CBSL circular dated 31.07.2014 the operations of Investment Fund Account were ceased with effect from 1st October 2014 and the bank transferred the remaining balance in Investment Fund Account to retained earnings through the Statement of Changes in Equity.

** Refer explanatory note 1 (a)

STATEMENT OF CASH FLOWS

For the period ended 30th September	BANK		GROUP	
	2014 Rs.000	2013 Rs.000	2014 Rs.000	2013 Rs.000
Cash Flows from Operating Activities				
Interest & Commission Receipts	42,313,429	42,217,408	42,531,601	42,452,909
Interest Payments	(24,485,176)	(24,999,461)	(24,464,176)	(24,989,688)
Receipts from other Operating Activities	1,244,101	1,371,854	4,189,929	3,867,415
Cash Payments to Employees	(5,178,422)	(5,078,083)	(5,620,153)	(5,508,171)
Recoveries from loans written off in previous years	7,727	9,068	7,727	9,068
Cash Payments to Suppliers and Other Operating Activities	(7,827,116)	(7,604,277)	(8,823,048)	(8,970,428)
Operating Profit before Changes in Operating Assets & Liabilities	6,074,543	5,916,509	7,821,880	6,861,105
(Increase)/ Decrease in Operating assets				
Deposits held for Regulatory or Monetary Control Purpose	(2,715,312)	3,306,425	(2,715,312)	3,306,425
Loans and advances	(25,710,957)	(33,683,775)	(26,466,245)	(33,990,237)
Other Short Term assets	(175,611)	(361,474)	(321,328)	(593,791)
	(28,601,880)	(30,738,824)	(29,502,885)	(31,277,603)
Increase / (Decrease) in Operating Liabilities				
Deposits from Customers	22,042,235	22,439,442	22,048,236	22,368,509
Other Liabilities	997,029	2,249,096	1,054,747	2,673,213
	23,039,264	24,688,538	23,102,983	25,041,722
Net Cash Generated from / (used in) Operating Activities before Income Tax	511,927	(133,777)	1,421,978	625,224
Income Taxes Paid	(579,218)	(2,303,455)	(579,411)	(2,301,346)
Net Cash Generated from / (used in) Operating Activities	(67,291)	(2,437,232)	842,567	(1,676,122)
Cash Flows from Investing Activities				
Dividend Income	303,347	314,406	227,293	244,360
Net Proceeds from Sale, Maturity and Purchase of Financial Investments	(18,322,154)	(17,253,917)	(19,450,696)	(17,403,327)
Purchase of Property, Plant & Equipment	(455,536)	(707,715)	(480,807)	(753,539)
Purchase of Intangible Assets	(93,282)	(343,551)	(99,246)	(343,551)
Improvements to Investment Properties	(51,010)	(2,204)	(51,010)	(279)
Proceeds from sale of Subsidiary Company	-	56,159	-	-
Net cash effect on disposal of subsidiary	-	-	-	9,920
Proceeds from Sale of Property Plant & Equipment	17,269	17,337	16,775	17,801
Net Cash used in Investing Activities	(18,601,366)	(17,919,485)	(19,837,691)	(18,228,615)
Cash Flows from Financing Activities				
Increase/ (Decrease) in Debentures	(271,331)	5,126,095	(256,965)	5,038,991
Increase of Borrowings & Term Loans	19,533,667	9,643,830	19,533,667	9,649,856
Dividends Paid	(2,673,366)	(2,679,721)	(2,738,366)	(2,736,721)
Proceeds from issue of shares under ESOP	250,436	200,271	250,436	200,271
Debenture Issue Expenses	(214)	(17,444)	(214)	(17,444)
Net Cash Generated from Financing Activities	16,839,192	12,273,031	16,788,558	12,134,953
Net Decrease in Cash and Cash Equivalents	(1,829,465)	(8,083,686)	(2,206,566)	(7,769,784)
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	11,041,791	11,007,352	12,404,726	12,609,185

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS - BANK

As at 30.09.2014	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	-	-	-	10,508,822	-	-	10,508,822
Balances with central banks	-	-	-	19,081,680	-	-	19,081,680
Placements with banks	-	-	-	532,970	-	-	532,970
Derivative financial instruments	241,762	-	-	-	-	-	241,762
Financial assets designated at fair value through profit or loss	-	-	-	-	-	-	-
Loans and receivables to banks	-	-	-	13,204,641	-	-	13,204,641
Loans and receivables to other customers	-	-	-	366,483,060	-	-	366,483,060
Financial investments	2,189,601	-	-	32,873,507	85,674,911	-	120,738,019
Total financial assets	2,431,363	-	-	442,684,680	85,674,911	-	530,790,954

	HFT	Designated at fair value	Amortised cost	Hedging	Total
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
LIABILITIES					
Due to banks	-	-	50,653,474	-	50,653,474
Derivative financial instruments	917,151	-	-	-	917,151
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-
Due to other customers	-	-	405,624,939	-	405,624,939
Other borrowings	-	-	12,217,405	-	12,217,405
Debt securities issued	-	-	1,403,498	-	1,403,498
Subordinated term debts	-	-	11,564,917	-	11,564,917
Total financial liabilities	917,151	-	481,464,233	-	482,381,384

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
Held-to-maturity - HTM

Designated at fair value through profit or loss - Designated at fair value
Available-for-sale - AFS

Loans and receivables/deposits at amortised cost - Amortised cost
Instruments of fair value and cash flow hedging - Hedging

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS - GROUP

As at 30.09.2014	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	-	-	-	10,468,410	-	-	10,468,410
Balances with central banks	-	-	-	19,081,680	-	-	19,081,680
Placements with banks	-	-	-	1,936,316	-	-	1,936,316
Derivative financial instruments	241,762	-	-	-	-	-	241,762
Financial assets designated at fair value through profit or loss	-	-	-	-	-	-	-
Loans and receivables to banks	-	-	-	13,204,641	-	-	13,204,641
Loans and receivables to other customers	-	-	-	367,761,092	-	-	367,761,092
Financial investments	2,685,260	-	764,742	35,175,806	87,428,970	-	126,054,778
Total financial assets	2,927,022	-	764,742	447,627,945	87,428,970	-	538,748,679
	HFT	Designated at fair value	Amortised cost	Hedging	Total		
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000		
LIABILITIES							
Due to banks	-	-	50,653,474	-	50,653,474		
Derivative financial instruments	917,151	-	-	-	917,151		
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-		
Due to other customers	-	-	405,336,594	-	405,336,594		
Other borrowings	-	-	12,217,405	-	12,217,405		
Debt securities issued	-	-	1,384,087	-	1,384,087		
Subordinated term debts	-	-	11,504,256	-	11,504,256		
Total financial liabilities	917,151	-	481,095,816	-	482,012,967		
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	-	-	-	11,621,193	-	-	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	-	931,681	35,103,762	64,035,975	-	101,057,809
Total financial assets	1,160,964	-	931,681	424,848,376	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
Held-to-maturity - HTM

Designated at fair value through profit or loss - Designated at fair value
Available-for-sale - AFS

Loans and receivables/deposits at amortised cost - Amortised cost
Instruments of fair value and cash flow hedging - Hedging

SEGMENT REPORTING

For the 9 months ended 30th September	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	42,509,778	42,748,310	2,424,797	2,776,802	160,932	102,845	3,615,928	3,140,447	(85,149)	6,133	48,626,286	48,774,537
Inter segment revenue	76,990	143,610	-	-	507,919	501,266	39,720	33,973	(624,629)	(678,849)	-	-
Total revenue	42,586,768	42,891,920	2,424,797	2,776,802	668,851	604,111	3,655,648	3,174,420	(709,778)	(672,716)	48,626,286	48,774,537
Segment result	7,360,675	6,521,162	1,669,208	1,743,396	442,214	366,547	227,549	222,406	(92,759)	(43,848)	9,606,887	8,809,663
Unallocated expenses											(1,006,507)	(937,515)
Profit from operations											8,600,380	7,872,148
Income from Associates and Joint Venture											138,812	89,896
Taxes											(2,508,915)	(2,156,998)
Profit for the period											6,230,277	5,805,046
Non Controlling Interest											(63,510)	(43,130)
Profit attributable to the Equity holders of the Bank											6,166,767	5,761,916
Profit for the period											6,230,277	5,805,046
Other comprehensive Income,Net of tax	2,084,269	508,645	-	-	-	-	753	(4,353)	1,832	16,599	2,086,854	520,891
Total Comprehensive income for the period											8,317,131	6,325,937
Non Controlling Interest											(63,812)	(42,448)
Total comprehensive income attributable to the Equity Holders of the Bank											8,253,319	6,283,489
Total assets	535,180,880	463,978,720	21,423,503	22,883,094	7,514,739	7,672,331	9,497,180	7,677,146	(2,468,615)	(3,191,597)	571,147,687	499,019,694
Total liabilities	478,504,691	413,572,032	21,423,503	22,883,094	693,492	1,298,720	7,261,296	5,795,987	(954,933)	(1,542,573)	506,928,049	442,007,260
Cash flow from operating activities	(1,670,875)	(4,925,384)	1,603,584	2,488,152	459,613	419,979	587,956	141,045	(137,711)	200,086	842,567	(1,676,122)
Cash flow from Investing activities	(18,601,366)	(17,919,485)	-	-	-	(7,634)	(451,847)	(54,131)	(784,478)	(247,365)	(19,837,691)	(18,228,615)
Cash flow from financing activities	16,839,192	12,273,031	-	-	(501,918)	(391,695)	(162,500)	(137,500)	613,784	391,117	16,788,558	12,134,953

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. Pawning interest losses materializing through auctions previously classified in interest income has been reclassified to "Impairment for loans and other losses". Such losses amounts to Rs 1,880 Mn for the period ended 30th September 2014 (2013 :Rs 280 Mn).
3. 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.
4. 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.
5. Where required, figures on the audited annual financial statements have been reclassified to conform to Central Bank of Sri Lanka publication requirements.
6. Details of Employee Share Option Plan (ESOP)

	2010 Allocation*		2012 Allocation**		2013 Allocation***	
	Voting	Non voting	Voting	Non voting	Voting	Non voting
No of options brought forward	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 year	(861,481)	(193,952)	(464,524)	(194,868)	(325,751)	(107,252)
No of options expired during the year	(78,960)	(23,473)	(131,036)	(24,347)	(132,995)	(39,464)
No of options remaining	698,604	98,058	2,672,632	447,562	3,080,719	740,178
Allotment price (Rs)	111.43	65.67	145.79	81.43	142.17	110.04
Average market price for the period ended 30th September 2014 (Rs)	162.52	129.16	162.52	129.16	162.52	129.16

*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.

7. 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.
8. 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.
9. 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.
10. The Bank acquired a stake of 51% of voting rights in Prime Grameen Micro Finance Limited on 7th November 2014. Further, Sithma Development (Pvt) Ltd, Bank's fully owned subsidiary disposed its stake of 49.99% in Splendor Media (Pvt) Ltd on the same day.
11. 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 10.

SELECTED PERFORMANCE INDICATORS (AS PER REGULATORY REPORTING)

	As at 30.09.2014	As at 31.12.2013	As at 30.09.2014	As at 31.12.2013
	Bank		Group	
Regulatory Capital Adequacy				
Core capital (Tier 1 Capital) Rs. Mn	42,578	41,771	45,390	45,159
Total Capital Base. Rs. Mn	53,457	53,274	56,412	57,096
Core capital adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 5%)	12.05%	12.95%	12.30%	13.33%
Total capital adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 10%)	15.13%	16.52%	15.28%	16.86%

	30.09.2014	31.12.2013
	Bank	
Assets Quality (Quality of Loan Portfolio)		
Gross Non-Performing Advances Ratio, % (net of Interest in Suspense)	3.71%	3.64%
Net Non-Performing Advances Ratio, % (net of Interest in Suspense and provisions)	1.86%	1.36%
Profitability (Annualised)		
Interest Margin, %	4.58%	5.09%
Return on Assets (before Tax), %	2.04%	2.09%
Return on Equity, %	14.03%	14.26%
Regulatory Liquidity		
Statutory Liquid Assets, Rs. Mn		
Domestic Banking unit	120,466	94,819
Off-Shore Banking Unit	7,818	7,548
Statutory Liquid Assets Ratio % (Minimum requirement 20%)		
Domestic Banking unit	27.08%	22.89%
Off-Shore Banking Unit	24.08%	22.64%

LISTED DEBENTURE INFORMATION

Quarter Ended 30th September	Market Value				Yield as at Last Trade Done	2014	2013
	Highest Rs.	Lowest Rs.	Highest Rs.	Lowest Rs.			
HNB DEBENTURES 2006							
15 year Fixed Rate (11.00% p.a.)	N/T	N/T	N/T	N/T	15 year Fixed Rate (11.00% p.a.)	N/T	N/T
18 year Fixed Rate (11.25% p.a.)	N/T	N/T	N/T	N/T	18 year Fixed Rate (11.25% p.a.)	N/T	N/T
HNB DEBENTURES 2007							
10 year Fixed Rate (16.00% p.a.)	N/T	N/T	N/T	N/T	10 year Fixed Rate (16.00% p.a.)	N/T	N/T
15 year Fixed Rate (16.75% p.a.)	N/T	N/T	N/T	N/T	15 year Fixed Rate (16.75% p.a.)	N/T	N/T
HNB DEBENTURES 2011							
10 year Fixed Rate (11.50% p.a.)	N/T	N/T	N/T	N/T	10 year Fixed Rate (11.50% p.a.)	N/T	N/T
HNB DEBENTURES 2013							
5 year Fixed Rate (14.00% p.a.)	N/T	N/T	N/A	N/A	5 year Fixed Rate (14.00% p.a.)	N/T	N/A
10 year Fixed Rate (14.25% p.a.)	82.24	82.24	N/A	N/A	10 year Fixed Rate (14.25% p.a.)	11.25	N/A

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

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

Quarter Ended 30th September	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.)	11.25	N/A

** The yield to maturity calculation is not applicable for floating rate debentures.
N/T – Not Traded as at 30th September, N/A – Not Applicable as at 30th September

RATIOS OF DEBT

	30.09.2014	31.12.2013
Debt Equity Ratio (%)	52.80	59.12
Interest Cover (Times)	6.39	7.16
Yield of Comparable Govt. Security for the following HNB Debentures (% p.a.)		
2006 series 15 year maturity	8.07	13.19
2006 series 18 year maturity	8.44	13.26
2007 series 10 year maturity	7.09	12.57
2007 series 15 year maturity	8.21	13.08
2011 series 10 year maturity	8.32	13.19
2013 series 5 year maturity	7.28	12.28
2013 series 10 year maturity	8.26	12.64

SHARE INFORMATION

As at	30-Sep-2014	31-Dec-2013
Number of Shares		
Voting	321,005,585	319,353,829
Non-voting	80,697,444	80,201,372
Last Traded Price per share		
Voting	190.40	147.00
Non-voting	146.00	119.00

For the Quarter Ended	30-Sep-2014	30-Sep-2013
Highest price per share		
Voting	192.70	164.80
Non-voting	146.00	118.00
Lowest price per share		
Voting	155.60	145.00
Non-voting	127.00	108.20

PUBLIC SHAREHOLDING PERCENTAGE

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

NUMBER OF PUBLIC SHAREHOLDERS

As at	30-Sep-2014
Voting	4,332
Non-voting	10,814

DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S SHAREHOLDING

	Number of shares	
	30-Sep-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. Cabraal**	-	-

* Chief Executive Officer

**Appointed with effect from 1st April 2014

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

	Name	No. of Shares	% on voting capital
1.	Sri Lanka Insurance Corporation Ltd.	47,635,487	14.84
2.	Employees Provident Fund	31,836,612	9.92
3.	Milford Exports (Ceylon) Limited	25,828,280	*8.05
4.	Mr.Sohli Edelji Captain	23,705,220	7.38
5.	Stassen Exports Ltd	22,387,096	*6.97
6.	Sonetto Holdings Limited	14,697,921	4.58
7.	HSBC Int'l Nominees Ltd-JPMLU-Franklin Templeton Investment	13,876,398	4.32
8.	Distilleries Company of Sri Lanka PLC	10,016,272	*3.12
9.	National Savings Bank	9,371,940	2.92
10.	Citi Group Global Markets Ltd Agency Trading Prop. Sec.	8,997,254	2.80
11.	Standard Chartered Bank Singapore S/A HL Bank Singapore	6,420,188	2.00
12.	The Bank of New York Mellon SA/NV-CF Ruffer Total return Fund	5,138,289	1.60
13.	Employees Trust Fund Board	3,848,839	1.20
14.	The Bank of New York Mellon SA/NV-CF Ruffer Absolute return	3,448,972	1.07
15.	HSBC INTL Nom Ltd-UBS AG Zurich	3,195,940	1.00
16.	Ms.Leesha Anne Captain	2,870,020	0.89
17.	BNY-CF Ruffer Investment Funds : CF Ruffer Pacific Fund	2,628,518	0.82
18.	Mellon Bank N.A. - Frontier Market Opportunities Master Fund	2,580,973	0.80
19.	Mellon Bank N.A. - Frontier Market Select Fund II	2,165,000	0.67
20.	BNYM SA/NV-Blackrock Frontiers Investment Trust PLC	2,129,201	0.66

*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 18.14% 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 2014

	Name	No. of Shares	% on non-voting capital
1.	HSBC Intl nominees Ltd-JPMLU-Franklin Templeton Invest	7,625,980	9.45
2.	Mellon-Frontaura Global Frontier Fund LLC	7,334,507	9.09
3.	HSBC Int'l Nom Ltd-UBS AG Zurich	6,279,621	7.78
4.	The Bank of New York Mellon SA/NV-CF Ruffer Total Return Fund	2,557,103	3.17
5.	Employees Trust Fund Board	1,780,241	2.21
6.	The Bank of New York Mellon SA/NV-CF Ruffer Absolute Return	1,703,364	2.11
7.	CITI Bank NY S/A Forward International Dividend Fund	1,542,944	1.91
8.	Northern Trust Company S/A Polar Capital Funds PLC	1,512,681	1.87
9.	Mr. Sohli Edelji Captain	1,442,839	1.79
10.	Akbar Brothers Pvt Ltd A/c No.01	1,246,393	1.54
11.	BNY-CF Ruffer Investment Funds:CF Ruffer Pacific Fund	1,011,115	1.25
12.	Mr. Jayampathi Divale Bandaranayake	1,000,022	1.24
13.	Union Assurance PLC No.1 A/c	944,278	1.17
14.	CITI Bank NY S/A Forward Select EM Dividend Fund	804,625	1.00
15.	Capital Development & Investment Company PLC A/c No.02	769,306	0.95
16.	Waldock Mackenzie Ltd/Mr. H M S Abdulhussein	613,487	0.76
17.	Hatton National Bank PLC A/c No.2	574,733	0.71
18.	Pershing LLC S/A Averbach Grauson & Co.	510,000	0.63
19.	Seylan Bank Ltd-Hiniduma Liyanage Lakpriya Manohan Nanayakkara	500,000	0.62
20.	Bank of Ceylon A/c Ceybank Century Growth Fund	478,494	0.59

NOTES TO THE FINANCIAL STATEMENTS

As at	BANK		GROUP	
	30.09.2014 Rs.000	31.12.2013 Rs.000	30.09.2014 Rs.000	31.12.2013 Rs.000
1) Loans and Receivables to Other Customers				
Gross loans and receivables	377,492,985	362,590,583	378,771,017	363,113,327
Less: Individual impairment	(2,150,544)	(2,027,843)	(2,150,544)	(2,027,843)
Collective impairment	(8,859,381)	(8,586,339)	(8,859,381)	(8,586,339)
Net loans and receivables	366,483,060	351,976,401	367,761,092	352,499,145
2) Loans and Receivables to Other Customers - By product				
By product-Domestic Currency				
Overdrafts	62,101,384	61,038,687	62,028,867	61,009,491
Bills of exchange	809,836	610,165	809,836	610,165
Commercial papers	156,956	-	156,956	60,372
Securities purchased under resale agreements	3,500	11,022	998,540	712,470
Short term loans	37,270,448	39,604,985	37,338,845	39,658,641
Trust receipts	12,802,746	13,368,274	12,802,746	13,368,274
Packing credit loans	197,568	235,120	197,568	235,120
Staff loans	8,030,109	7,159,143	8,317,221	7,398,588
Term loans	132,928,736	106,243,536	132,928,736	105,740,555
Lease rentals receivable	22,832,568	23,146,967	22,832,568	23,146,967
Housing loans	26,049,072	24,246,600	26,049,072	24,246,600
Pawning advances	27,347,378	46,234,919	27,347,378	46,234,919
Sub total	330,530,301	321,899,418	331,808,333	322,422,162
By product-Foreign Currency				
Overdrafts	2,755,247	1,420,266	2,755,247	1,420,266
Bills of exchange	1,697,277	1,246,832	1,697,277	1,246,832
Short term loans	723,793	23,940	723,793	23,940
Trust receipts	2,126,408	452,568	2,126,408	452,568
Packing credit loans	6,944,369	5,535,623	6,944,369	5,535,623
Term loans	31,758,349	31,168,183	31,758,349	31,168,183
Lease rentals receivable	5,973	5,855	5,973	5,855
Housing loans	951,268	837,898	951,268	837,898
Sub total	46,962,684	40,691,165	46,962,684	40,691,165
Total	377,492,985	362,590,583	378,771,017	363,113,327
For the 9 months ended 30th September 2014				
	2014	2013	2014	2013
	Rs.000	Rs.000	Rs.000	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	122,701	138,364	122,701	138,364
Closing balance as at 30th September	2,150,544	1,926,626	2,150,544	1,926,626
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	2,265,542	2,968,546	2,265,542	2,968,546
Amounts written off	(1,992,500)	(293,845)	(1,992,500)	(293,845)
Closing balance as at 30th September	8,859,381	8,490,012	8,859,381	8,490,012
Total impairment	11,009,925	10,416,638	11,009,925	10,416,638
4) Due to Other Customers - By product				
By product-Domestic Currency				
Current account deposits	25,766,566	22,676,557	25,626,680	22,515,521
Savings deposits	124,778,441	106,137,491	124,775,139	106,136,448
Time deposits	190,726,607	189,424,506	190,686,729	189,396,055
Certificates of deposit	1,714,291	3,928,076	1,714,291	3,928,076
Sub total	342,985,905	322,166,630	342,802,839	321,976,100
By product- Foreign Currency				
Current account deposits	1,376,993	1,161,375	1,376,993	1,161,375
Savings deposits	19,633,372	18,372,750	19,624,303	18,367,126
Time deposits	41,628,669	43,660,215	41,532,459	43,562,023
Sub total	62,639,034	63,194,340	62,533,755	63,090,524
Total	405,624,939	385,360,970	405,336,594	385,066,624