Interim Financial Statements
For the three months ended 31st March 2019
FINANCIAL COMMENTARY FOR THE 03 MONTHS ENDED 31ST MARCH 2019

- HNB Group records a PBT of Rs 3.4 Bn in 1Q 2019
- Core Banking generates Rs 13 Bn in NII as compared with Rs 10.6 Bn last year
- Effective tax rate increases to 58.6% as compared with 43.6% last year

Amidst challenging market conditions, Hatton National Bank posted a profit before tax of Rs 3.3 Bn and a profit after tax of Rs 2 Bn for the first quarter of 2019.

During the 12 month period ended 31st March 2019, advances and deposits of the Bank grew by 11.4% to Rs 749.8 Bn and 11% to Rs 799.7 Bn respectively. The Bank was also successful in maintaining a CASA base of Rs 279.6 Bn enabling the Bank to record a 22.1% growth in Net Interest Income (NII) of Rs 13 Bn for the period.

Net Fee income amounted to Rs 2.2 Bn for the first quarter and constituted 14.9% of Total Operating Income. Income from credit cards and guarantee commission which are key contributors to fee income, demonstrated robust growth.

The slowdown in economic growth, collection difficulties experienced by many industries as well as the impact from the extreme weather conditions experienced in previous years, has resulted in higher non-performing assets in the banking industry and it continues to affect the current portfolio. In addition, the introduction of the stringent SLFRS 9 requirements on impairment on performing loans as well as on investments in other financial instruments has contributed to an increase in impairment charges for the period.

Accordingly, impairment charge for the Bank amounted to Rs 4.1 Bn for the three months ended March 2019.

Total Operating Expenses increased by 17.9% YoY to Rs 5.9 Bn and the Bank reported a cost to income ratio of 39.6% for the period.

The introduction of the debt repayment levy in 4Q 2018 as well as the removal of certain exemptions on income from investments with effect from April 2018, resulted in an increase in the total effective tax rate to a significant 58.6%. Accordingly, the Bank’s total tax charge amounted to Rs 2.9 Bn for the period.

All Group companies contributed to Group Total Operating Income of Rs 18.7 Bn for the first quarter, recording a 9.6% YoY growth. HNB Group made a profit before tax of Rs 3.4 Bn and a profit after tax of Rs 2 Bn during the first three months of 2019.

During the first quarter of 2019, HNB was awarded as the Best Bank for SME in Sri Lanka by the Asian Banker Magazine while Asiamoney recognised HNB as ‘the Best Bank’ in SME, Cash Management, Trade Finance and Corporate Social Responsibility.

HNB is the first local Bank in Sri Lanka to receive an international rating on par with the sovereign from Moody’s Investor Services and has a national long term rating of AA -(lka) from Fitch Ratings. HNB is the No. 1 Bank in Sri Lanka in the Top 1000 World Banks ranking by the prestigious UK based ‘The Banker’ magazine.
## STATEMENT OF PROFIT OR LOSS

**BANK**

For the 3 months ended 31st March 2019 vs. 2018

<table>
<thead>
<tr>
<th></th>
<th>2019 (Restated)</th>
<th>2018 (Restated)</th>
<th>% Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross Income</strong></td>
<td>Rs 000</td>
<td>Rs 000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>31,371,848</td>
<td>28,053,556</td>
<td>12%</td>
</tr>
<tr>
<td>Interest income</td>
<td>29,355,034</td>
<td>24,880,398</td>
<td>18%</td>
</tr>
<tr>
<td>Less: Interest expenses</td>
<td>16,381,729</td>
<td>14,253,160</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Net interest income</strong></td>
<td>12,973,305</td>
<td>10,627,238</td>
<td>22%</td>
</tr>
<tr>
<td>Fee and commission income</td>
<td>2,228,998</td>
<td>2,214,461</td>
<td>1%</td>
</tr>
<tr>
<td>Less: Fee and commission expenses</td>
<td>39,617</td>
<td>29,381</td>
<td>35%</td>
</tr>
<tr>
<td><strong>Net fee and commission income</strong></td>
<td>2,189,381</td>
<td>2,185,080</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Net interest, fee and commission income</strong></td>
<td>15,202,303</td>
<td>12,841,699</td>
<td>18%</td>
</tr>
<tr>
<td><strong>Net gain/(loss) from trading / Net fair value gains / (losses) from financial instruments</strong></td>
<td>635,824</td>
<td>(273,680)</td>
<td>332%</td>
</tr>
<tr>
<td><strong>Net gain from financial investments</strong></td>
<td>165,384</td>
<td>194,991</td>
<td>(15)%</td>
</tr>
<tr>
<td><strong>Net insurance premium income</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net gains/(loss)on derecognition of financial assets</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net other operating income</strong></td>
<td>(1,053,009)</td>
<td>1,008,005</td>
<td>(204)%</td>
</tr>
<tr>
<td><strong>Total operating income</strong></td>
<td>14,950,502</td>
<td>13,771,015</td>
<td>9%</td>
</tr>
<tr>
<td><strong>Less : Impairment for loans and other losses</strong></td>
<td>4,120,902</td>
<td>1,345,006</td>
<td>206%</td>
</tr>
<tr>
<td><strong>Net operating income</strong></td>
<td>10,829,600</td>
<td>12,426,009</td>
<td>(13)%</td>
</tr>
<tr>
<td><strong>Less : Operating expenses</strong></td>
<td>5,918,520</td>
<td>5,019,931</td>
<td>18%</td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>2,698,515</td>
<td>2,195,730</td>
<td>23%</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>376,807</td>
<td>325,138</td>
<td>16%</td>
</tr>
<tr>
<td>Benefits, claims and underwriting expenditure</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other expenses</td>
<td>2,843,198</td>
<td>2,499,063</td>
<td>14%</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>5,918,520</td>
<td>5,019,931</td>
<td>18%</td>
</tr>
<tr>
<td><strong>Operating profit before value added tax (VAT), nation building tax (NBT) and debt repayment levy (DRL) on financial services</strong></td>
<td>4,911,980</td>
<td>7,406,078</td>
<td>(34)%</td>
</tr>
<tr>
<td><strong>Less : Value Added Tax (VAT) on financial services</strong></td>
<td>974,141</td>
<td>1,222,804</td>
<td>(20)%</td>
</tr>
<tr>
<td><strong>Less: Nation Building Tax (NBT) on financial services</strong></td>
<td>129,885</td>
<td>163,046</td>
<td>(20)%</td>
</tr>
<tr>
<td><strong>Less : Debt Repayment Levy</strong></td>
<td>547,749</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Operating profit after value added tax (VAT), nation building tax (NBT) and debt repayment levy (DRL) on financial services</strong></td>
<td>3,259,305</td>
<td>6,020,234</td>
<td>(51)%</td>
</tr>
<tr>
<td><strong>Share of profit of Joint Venture (net of income tax)</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>PROFIT BEFORE INCOME TAX</strong></td>
<td>3,259,305</td>
<td>6,020,234</td>
<td>(51)%</td>
</tr>
<tr>
<td><strong>Less : Income tax expense</strong></td>
<td>3,259,305</td>
<td>6,020,234</td>
<td>(51)%</td>
</tr>
<tr>
<td><strong>PROFIT FOR THE PERIOD</strong></td>
<td>0</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Profit attributable to:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity holders of the Bank</td>
<td>2,031,396</td>
<td>4,178,689</td>
<td>(51)%</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>0</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td><strong>PROFIT FOR THE PERIOD</strong></td>
<td>2,031,396</td>
<td>4,178,689</td>
<td>(51)%</td>
</tr>
</tbody>
</table>

**GROUP**

For the 3 months ended 31st March 2019 vs. 2018

<table>
<thead>
<tr>
<th></th>
<th>2019 (Restated)</th>
<th>2018 (Restated)</th>
<th>% Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross Income</strong></td>
<td>Rs 000</td>
<td>Rs 000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>33,856,287</td>
<td>30,205,261</td>
<td>12%</td>
</tr>
<tr>
<td>Interest income</td>
<td>31,606,437</td>
<td>26,940,572</td>
<td>17%</td>
</tr>
<tr>
<td>Less: Interest expenses</td>
<td>16,987,152</td>
<td>14,853,907</td>
<td>14%</td>
</tr>
<tr>
<td><strong>Net interest income</strong></td>
<td>14,619,285</td>
<td>12,096,665</td>
<td>21%</td>
</tr>
<tr>
<td>Fee and commission income</td>
<td>2,603,720</td>
<td>2,458,173</td>
<td>6%</td>
</tr>
<tr>
<td>Less: Fee and commission expenses</td>
<td>84,324</td>
<td>53,297</td>
<td>57%</td>
</tr>
<tr>
<td><strong>Net fee and commission income</strong></td>
<td>2,519,396</td>
<td>2,404,580</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Net interest, fee and commission income</strong></td>
<td>17,138,681</td>
<td>14,491,251</td>
<td>18%</td>
</tr>
<tr>
<td><strong>Net gain/(loss) from trading / Net fair value gains / (losses) from financial instruments</strong></td>
<td>617,096</td>
<td>(277,382)</td>
<td>323%</td>
</tr>
<tr>
<td><strong>Net gain from financial investments</strong></td>
<td>198,731</td>
<td>19,831</td>
<td>17%</td>
</tr>
<tr>
<td><strong>Net insurance premium income</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net gains/(loss)on derecognition of financial assets</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net other operating income</strong></td>
<td>(1,136,603)</td>
<td>884,967</td>
<td>(228)%</td>
</tr>
<tr>
<td><strong>Total operating income</strong></td>
<td>12,426,009</td>
<td>15,543,141</td>
<td>(18)%</td>
</tr>
<tr>
<td><strong>Less : Impairment for loans and other losses</strong></td>
<td>1,926,964</td>
<td>1,076,048</td>
<td>79%</td>
</tr>
<tr>
<td><strong>Net operating income</strong></td>
<td>10,506,045</td>
<td>14,467,093</td>
<td>(27)%</td>
</tr>
<tr>
<td><strong>Less : Operating expenses</strong></td>
<td>9,047,704</td>
<td>7,110,276</td>
<td>27%</td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>3,259,109</td>
<td>2,716,719</td>
<td>20%</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>527,359</td>
<td>427,664</td>
<td>23%</td>
</tr>
<tr>
<td>Benefits, claims and underwriting expenditure</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other expenses</td>
<td>3,314,281</td>
<td>2,889,845</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>9,047,704</td>
<td>7,110,276</td>
<td>27%</td>
</tr>
<tr>
<td><strong>Operating profit before value added tax (VAT), nation building tax (NBT) and debt repayment levy (DRL) on financial services</strong></td>
<td>3,259,305</td>
<td>6,020,234</td>
<td>(51)%</td>
</tr>
<tr>
<td><strong>Less : Value Added Tax (VAT) on financial services</strong></td>
<td>1,049,240</td>
<td>1,222,804</td>
<td>(21)%</td>
</tr>
<tr>
<td><strong>Less: Nation Building Tax (NBT) on financial services</strong></td>
<td>140,119</td>
<td>1,076,048</td>
<td>79%</td>
</tr>
<tr>
<td><strong>Less : Debt Repayment Levy</strong></td>
<td>583,526</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Operating profit after value added tax (VAT), nation building tax (NBT) and debt repayment levy (DRL) on financial services</strong></td>
<td>3,351,206</td>
<td>6,931,711</td>
<td>(52)%</td>
</tr>
<tr>
<td><strong>Share of profit of Joint Venture (net of income tax)</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>PROFIT BEFORE INCOME TAX</strong></td>
<td>3,351,206</td>
<td>6,931,711</td>
<td>(52)%</td>
</tr>
<tr>
<td><strong>Less : Income tax expense</strong></td>
<td>3,351,206</td>
<td>6,931,711</td>
<td>(52)%</td>
</tr>
<tr>
<td><strong>PROFIT FOR THE PERIOD</strong></td>
<td>0</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Profit attributable to:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity holders of the Bank</td>
<td>2,031,396</td>
<td>4,178,689</td>
<td>(51)%</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>0</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td><strong>PROFIT FOR THE PERIOD</strong></td>
<td>2,031,396</td>
<td>4,178,689</td>
<td>(51)%</td>
</tr>
</tbody>
</table>

**Earnings per share**

- **Basic earnings per ordinary share (Rs)**: 4.06, 8.35 (51%)
- **Diluted earnings per ordinary share (Rs)**: 4.06, 8.35 (51%)
### STATEMENT OF COMPREHENSIVE INCOME

<table>
<thead>
<tr>
<th>BANK For the 3 months ended 31st March</th>
<th>GROUP For the 3 months ended 31st March</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019 (Rs 000)</td>
</tr>
<tr>
<td>PROFIT FOR THE PERIOD</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2,031,396</td>
</tr>
</tbody>
</table>

Other comprehensive income that will be reclassified to profit or loss in subsequent periods

- Net gains/(losses) on investments in debt instruments measured at fair value through other comprehensive income: 638,967 (387,076) 265 784,660 (455,651) 272
- Reclassification of net gains on de-recognition of debt instruments at fair value through other comprehensive income: - - - (5,096) (15,415) 67
- Transfer (to) / from life policy holder reserve fund: - - - (123,926) 66,188 (287)
- Share of other comprehensive income of joint venture: - - - (20,146) (718) (2,706)
- Less: Tax expense relating to items that will be reclassified to profit or loss: (178,911) 108,381 (265) (182,684) 110,967 (265)

Net other comprehensive income that will be reclassified to profit or loss in subsequent periods: 460,056 (278,695) 265 452,828 (294,629) 254

Other comprehensive income that will not be reclassified to profit or loss in subsequent periods

- Change in fair value on investments in equity instruments: (820,309) (218,384) (276) (820,309) (218,384) (276)
- Re-measurement of post-employment benefit obligations: - - - 9,816 (2,244) 537
- Revaluation of freehold land & buildings: - - - 225,622 - -
- Share of other comprehensive income of joint venture: - - - - -
- Less: Tax expense relating to items that will not be reclassified to profit or loss: - - - (65,922) - -

Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods: (820,309) (218,384) (276) (650,793) (220,628) (195)

OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX

- (360,253) (497,079) 28 (197,963) (515,257) 62

TOTAL COMPREHENSIVE INCOME FOR THE PERIOD

- 1,671,143 3,679,610 (55) 1,840,815 4,212,755 (56)

Total comprehensive income attributable to:

- Equity holders of the Bank: 1,671,143 3,679,610 (55) 1,645,481 3,815,709 (57)
- Non-controlling interests: - - - 195,334 397,046 (51)

TOTAL COMPREHENSIVE INCOME FOR THE PERIOD

- 1,671,143 3,679,610 (55) 1,840,815 4,212,755 (56)
## STATEMENT OF FINANCIAL POSITION

### ASSETS

<table>
<thead>
<tr>
<th></th>
<th>As at 31.03.2019</th>
<th>As at 31.12.2018 (Audited)</th>
<th>% Increase / Decrease</th>
<th>As at 31.03.2019</th>
<th>As at 31.12.2018 (Audited)</th>
<th>% Increase / Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rs.000</td>
<td>Rs.000</td>
<td></td>
<td>Rs.000</td>
<td>Rs.000</td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>23,025,645</td>
<td>25,141,890</td>
<td>(8)</td>
<td>23,418,533</td>
<td>24,966,831</td>
<td>(6)</td>
</tr>
<tr>
<td>Placements with banks</td>
<td>2,784,118</td>
<td>3,292,733</td>
<td>(15)</td>
<td>8,136,275</td>
<td>8,506,255</td>
<td>(4)</td>
</tr>
<tr>
<td>Balances with Central Bank of Sri Lanka</td>
<td>29,374,092</td>
<td>33,907,057</td>
<td>(13)</td>
<td>29,374,092</td>
<td>33,907,057</td>
<td>(13)</td>
</tr>
<tr>
<td>Reverse repurchase agreements</td>
<td>1,297,224</td>
<td>90,094</td>
<td>1,340</td>
<td>2,265,661</td>
<td>1,168,764</td>
<td>94</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>2,007,229</td>
<td>4,507,576</td>
<td>(55)</td>
<td>2,007,229</td>
<td>4,507,576</td>
<td>(55)</td>
</tr>
<tr>
<td>Financial assets recognised through profit or loss - measured at fair value</td>
<td>1,067,414</td>
<td>100,342</td>
<td>964</td>
<td>1,208,755</td>
<td>264,420</td>
<td>357</td>
</tr>
<tr>
<td>Financial assets at amortised cost - loans and advances</td>
<td>749,826,719</td>
<td>749,048,820</td>
<td>-</td>
<td>772,932,937</td>
<td>770,263,000</td>
<td>-</td>
</tr>
<tr>
<td>Financial assets at amortised cost - debt and other instruments</td>
<td>147,314,407</td>
<td>160,145,680</td>
<td>(8)</td>
<td>154,010,590</td>
<td>165,821,983</td>
<td>(7)</td>
</tr>
<tr>
<td>Financial assets measured at fair value through other comprehensive income</td>
<td>85,696,573</td>
<td>69,436,969</td>
<td>23</td>
<td>92,432,290</td>
<td>76,005,258</td>
<td>22</td>
</tr>
<tr>
<td>Investment in Joint Venture</td>
<td>755,000</td>
<td>755,000</td>
<td>-</td>
<td>2,043,581</td>
<td>2,027,201</td>
<td>1</td>
</tr>
<tr>
<td>Investments in Subsidiaries</td>
<td>3,017,285</td>
<td>3,017,285</td>
<td>-</td>
<td>951,150</td>
<td>1,107,472</td>
<td>(14)</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>21,372,874</td>
<td>21,304,570</td>
<td>-</td>
<td>42,734,725</td>
<td>42,417,126</td>
<td>1</td>
</tr>
<tr>
<td>Intangible assets and goodwill</td>
<td>865,961</td>
<td>905,653</td>
<td>(4)</td>
<td>1,121,457</td>
<td>1,177,864</td>
<td>(4)</td>
</tr>
<tr>
<td>Other assets</td>
<td>15,835,769</td>
<td>14,509,951</td>
<td>9</td>
<td>16,650,932</td>
<td>16,273,512</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>1,084,465,717</strong></td>
<td><strong>1,086,489,258</strong></td>
<td>-</td>
<td><strong>1,149,488,707</strong></td>
<td><strong>1,148,614,319</strong></td>
<td>-</td>
</tr>
</tbody>
</table>

### LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>As at 31.03.2019</th>
<th>As at 31.12.2018 (Audited)</th>
<th>% Increase / Decrease</th>
<th>As at 31.03.2019</th>
<th>As at 31.12.2018 (Audited)</th>
<th>% Increase / Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rs.000</td>
<td>Rs.000</td>
<td></td>
<td>Rs.000</td>
<td>Rs.000</td>
<td></td>
</tr>
<tr>
<td>Due to banks</td>
<td>73,596,704</td>
<td>77,492,582</td>
<td>(5)</td>
<td>74,555,037</td>
<td>77,976,010</td>
<td>(4)</td>
</tr>
<tr>
<td>Securities sold under repurchase agreements</td>
<td>16,395,900</td>
<td>16,678,946</td>
<td>-</td>
<td>16,195,900</td>
<td>16,678,946</td>
<td>-</td>
</tr>
<tr>
<td>Financial liabilities at amortised cost - due to depositors</td>
<td>799,666,800</td>
<td>799,975,357</td>
<td>-</td>
<td>820,011,721</td>
<td>818,041,962</td>
<td>-</td>
</tr>
<tr>
<td>Dividends payable</td>
<td>2,471,175</td>
<td>994,812</td>
<td>148</td>
<td>2,625,672</td>
<td>1,009,468</td>
<td>160</td>
</tr>
<tr>
<td>Financial liabilities at amortised cost - other borrowings</td>
<td>21,091,242</td>
<td>24,894,155</td>
<td>(15)</td>
<td>21,091,242</td>
<td>24,894,155</td>
<td>(15)</td>
</tr>
<tr>
<td>Debt securities issued</td>
<td>4,597,139</td>
<td>4,487,763</td>
<td>2</td>
<td>5,137,573</td>
<td>5,030,000</td>
<td>2</td>
</tr>
<tr>
<td>Current tax liabilities</td>
<td>10,156,688</td>
<td>9,184,814</td>
<td>11</td>
<td>10,558,765</td>
<td>9,559,852</td>
<td>10</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>1,089,615</td>
<td>1,808,898</td>
<td>(40)</td>
<td>5,189,722</td>
<td>5,831,673</td>
<td>(11)</td>
</tr>
<tr>
<td>Insurance Provision - Life</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>13,028,922</td>
<td>12,256,686</td>
<td>6</td>
</tr>
<tr>
<td>Insurance Provision - General</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,697,709</td>
<td>2,523,095</td>
<td>7</td>
</tr>
<tr>
<td>Other provisions</td>
<td>2,543,839</td>
<td>3,559,925</td>
<td>(29)</td>
<td>2,932,098</td>
<td>4,081,659</td>
<td>(28)</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>13,875,091</td>
<td>6,906,911</td>
<td>101</td>
<td>14,844,380</td>
<td>8,944,789</td>
<td>66</td>
</tr>
<tr>
<td>Subordinated term debts</td>
<td>21,818,348</td>
<td>22,229,951</td>
<td>(2)</td>
<td>21,522,658</td>
<td>21,920,246</td>
<td>(2)</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>969,006,377</strong></td>
<td><strong>970,755,286</strong></td>
<td>-</td>
<td><strong>1,012,295,035</strong></td>
<td><strong>1,011,279,713</strong></td>
<td>-</td>
</tr>
</tbody>
</table>
## STATEMENT OF FINANCIAL POSITION

<table>
<thead>
<tr>
<th></th>
<th>BANK</th>
<th>GROUP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As at 31.03.2019 (Audited)</td>
<td>As at 31.12.2018 (Audited)</td>
</tr>
<tr>
<td></td>
<td>Rs.000</td>
<td>Rs.000</td>
</tr>
<tr>
<td>As at 31.03.2019</td>
<td>% Increase / (Decrease)</td>
<td>As at 31.12.2018 (Audited)</td>
</tr>
<tr>
<td></td>
<td>Rs.000</td>
<td>Rs.000</td>
</tr>
<tr>
<td></td>
<td>% Increase / (Decrease)</td>
<td>Rs.000</td>
</tr>
<tr>
<td></td>
<td>Rs.000</td>
<td>Rs.000</td>
</tr>
<tr>
<td>EQUITY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stated capital</td>
<td>33,820,906</td>
<td>32,338,026</td>
</tr>
<tr>
<td>(5)</td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>Statutory reserve fund</td>
<td>6,260,000</td>
<td>6,260,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>14,311,354</td>
<td>15,728,513</td>
</tr>
<tr>
<td>(9)</td>
<td></td>
<td>18,682,503</td>
</tr>
<tr>
<td>Other reserves</td>
<td>61,067,180</td>
<td>61,427,433</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(1)</td>
</tr>
<tr>
<td>Total equity attributable to equity holders of the</td>
<td>115,459,440</td>
<td>115,753,972</td>
</tr>
<tr>
<td>Bank</td>
<td></td>
<td>(3)</td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>-</td>
<td>4,728,544</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4,673,210</td>
</tr>
<tr>
<td>Total equity</td>
<td>115,459,440</td>
<td>115,753,972</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(2)</td>
</tr>
<tr>
<td>Total equity and liabilities</td>
<td>1,084,465,717</td>
<td>1,086,489,258</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(2)</td>
</tr>
<tr>
<td>Contingent liabilities and commitments</td>
<td>749,459,776</td>
<td>763,214,236</td>
</tr>
<tr>
<td>Net Assets Value per Share (Rs.)</td>
<td>230.73</td>
<td>231.32</td>
</tr>
<tr>
<td>Memorandum Information</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of Employees</td>
<td>4,940</td>
<td>4,781</td>
</tr>
<tr>
<td>Number of Branches</td>
<td>250</td>
<td>250</td>
</tr>
</tbody>
</table>

## 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 31st March 2019 and its profit for the three months ended 31st March 2019.

(Sgd.)

Anusha Gallage
Chief Financial Officer
10th May 2019

We the undersigned, being the Managing Director / Chief Executive Officer and the Chairman 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;

(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.)

Jonathan Alles
Managing Director / Chief Executive Officer
10th May 2019

(Sgd.)

Dinesh Weerakkody
Chairman
10th May 2019
<table>
<thead>
<tr>
<th>Stated Capital</th>
<th>Other Reserves</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voting Shares</td>
<td>Non-Voting Shares</td>
</tr>
<tr>
<td>Ru000</td>
<td>Ru000</td>
</tr>
</tbody>
</table>

**For the 3 months ended 31st March 2019**

**Balance as at 1st January 2019**

| 26,649,460 | 5,688,166 | 6,260,000 | 10,790,994 | - | 1,536,439 | 49,100,000 | - | 15,728,513 | 115,753,972 |

**Total comprehensive income for the period**

| - | - | - | - | - | - | - | - | 2,031,396 | 2,031,396 |

**Other Comprehensive Income for the period (net of tax)**

| - | - | - | - | (360,253) | - | - | - | - | (360,253) |

**Total comprehensive income for the period**

| - | - | - | - | - | (360,253) | - | - | 2,031,396 | 1,671,143 |

**Transactions with equity holders, recognized directly in equity**

| Final dividend 2018 - Scrip | 1,190,308 | 292,570 | - | - | - | - | - | - | (1,961,025) | (478,147) |

| Final dividend 2018 - Cash | - | - | - | - | - | - | - | - | (1,487,528) | (1,487,528) |

| Total transactions with equity holders | 1,190,308 | 292,570 | - | - | - | - | - | - | (3,448,554) | (1,965,676) |

| Transfers during the period | - | - | - | - | - | - | - | - | - | - |

**Balance as at 31st March 2019**

| 27,839,769 | 5,981,136 | 6,260,000 | 10,790,994 | - | 1,176,186 | 49,100,000 | - | 14,311,356 | 115,459,440 |

**For the 3 months ended 31st March 2018**

**Balance as at 1st January 2018**

| 25,900,025 | 5,509,094 | 5,460,000 | 8,725,542 | 4,166,167 | 403,701 | 43,100,000 | 93,186 | 11,151,066 | 103,974,614 |

| Day 1 impact from the application of SLFRS 9 | - | - | - | - | (4,166,167) | 4,035,701 | - | - | (4,042,519) | (4,172,985) |

| Restated balance as at 1st January 2018 | 25,900,025 | 5,509,094 | 5,460,000 | 8,725,542 | 403,701 | 43,100,000 | 93,186 | 11,151,066 | 103,974,614 |

**Total comprehensive income for the period**

| Profit for the period | - | - | - | - | - | - | - | - | 4,176,689 | 4,176,689 |

| Other Comprehensive Income for the period (net of tax) | - | - | - | - | (497,079) | - | - | - | (497,079) |

| Total comprehensive income for the period | - | - | - | - | (497,079) | - | - | - | 4,176,689 | 3,679,610 |

**Transactions with equity holders, recognized directly in equity**

| Final dividend 2017 - Scrip | 706,515 | 173,317 | - | - | - | - | - | - | (977,592) | (97,759) |

| Interim dividend 2017 - Cash | - | - | - | - | - | - | - | - | (2,442,768) | (2,442,768) |

| Issue of shares under ESOP | 29,021 | 4,237 | - | - | - | - | - | - | - | 33,258 |

| Total transactions with equity holders | 735,536 | 177,554 | - | - | - | - | - | - | (3,420,161) | (2,507,270) |

| Transfer of unclaimed dividends | - | - | - | - | - | - | - | - | 39,229 | 39,229 |

| Transfers during the year 2018 | 10,594 | 1,301 | - | - | - | - | - | - | (11,895) | - |

<p>| Balance as at 31st March 2018 | 26,646,155 | 5,687,949 | 5,460,000 | 8,725,542 | 3,538,622 | 43,100,000 | 81,291 | 11,946,624 | 105,186,183 |</p>
<table>
<thead>
<tr>
<th>Voting Shares</th>
<th>Non-Voting Shares</th>
<th>Statutory Reserve</th>
<th>Available for Sale</th>
<th>Fair Value Reserve</th>
<th>General Reserve</th>
<th>Life policy holder Reserve</th>
<th>Restricted</th>
<th>Exchange</th>
<th>Retained Earnings</th>
<th>Non Controlling Interests</th>
<th>Total Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rs 000</td>
<td>Rs 000</td>
<td>Rs 000</td>
<td>Rs 000</td>
<td>Rs 000</td>
<td>Rs 000</td>
<td>Rs 000</td>
<td>Rs 000</td>
<td>Rs 000</td>
<td>Rs 000</td>
<td>Rs 000</td>
<td>Rs 000</td>
</tr>
</tbody>
</table>

**STATEMENT OF CHANGES IN EQUITY - GROUP**

<table>
<thead>
<tr>
<th>For the 3 months ended 31st March 2019</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance as at 1st January 2019</strong></td>
<td></td>
</tr>
<tr>
<td>26,649,460</td>
<td>5,688,566</td>
</tr>
<tr>
<td>6,260,000</td>
<td>22,994,510</td>
</tr>
<tr>
<td>1,537,723</td>
<td>49,100,000</td>
</tr>
<tr>
<td>381,156</td>
<td>(197,803)</td>
</tr>
<tr>
<td>Total comprehensive income for the period</td>
<td></td>
</tr>
<tr>
<td>Profit for the period</td>
<td>-</td>
</tr>
<tr>
<td>Other Comprehensive Income for the period (net of tax)</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive income for the period</td>
<td>-</td>
</tr>
<tr>
<td>Transactions with equity holders, recognised directly in equity</td>
<td></td>
</tr>
<tr>
<td>Final dividend 2018 - Scrip</td>
<td>1,190,308</td>
</tr>
<tr>
<td>Final dividend 2018 - Cash</td>
<td>-</td>
</tr>
<tr>
<td>Total transactions with equity holders</td>
<td>1,190,308</td>
</tr>
<tr>
<td>Transfer to life policy holder reserve fund</td>
<td>-</td>
</tr>
<tr>
<td>Balance as at 31st March 2019</td>
<td>27,839,769</td>
</tr>
<tr>
<td>5,981,136</td>
<td>6,260,000</td>
</tr>
<tr>
<td>23,062,998</td>
<td>49,100,000</td>
</tr>
<tr>
<td>381,156</td>
<td>(73,877)</td>
</tr>
<tr>
<td>Total comprehensive income for the period</td>
<td></td>
</tr>
<tr>
<td>Profit for the period</td>
<td>-</td>
</tr>
<tr>
<td>Other Comprehensive Income for the period (net of tax)</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive income for the period</td>
<td>-</td>
</tr>
<tr>
<td>Transactions with equity holders, recognised directly in equity</td>
<td></td>
</tr>
<tr>
<td>Final dividend 2017 - Scrip</td>
<td>706,515</td>
</tr>
<tr>
<td>Interim dividend 2017 - Cash</td>
<td>-</td>
</tr>
<tr>
<td>Issue of shares under ESOP</td>
<td>29,021</td>
</tr>
<tr>
<td>Total transactions with equity holders</td>
<td>735,536</td>
</tr>
<tr>
<td>Transfer from life policy holder reserve fund</td>
<td>-</td>
</tr>
<tr>
<td>Transfers during the year 2018</td>
<td>10,594</td>
</tr>
<tr>
<td>Balance as at 31st March 2018</td>
<td>26,646,155</td>
</tr>
<tr>
<td>5,687,949</td>
<td>6,260,000</td>
</tr>
<tr>
<td>19,433,829</td>
<td>49,100,000</td>
</tr>
<tr>
<td>381,156</td>
<td>(73,877)</td>
</tr>
</tbody>
</table>

For the 3 months ended 31st March 2018

<table>
<thead>
<tr>
<th>For the 3 months ended 31st March 2018</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance as at 1st January 2018</strong></td>
<td></td>
</tr>
<tr>
<td>25,900,025</td>
<td>5,509,094</td>
</tr>
<tr>
<td>5,460,000</td>
<td>19,433,829</td>
</tr>
<tr>
<td>4,207,731</td>
<td>43,100,000</td>
</tr>
<tr>
<td>4,058,756</td>
<td>223,271</td>
</tr>
<tr>
<td>93,186</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive income for the period</td>
<td></td>
</tr>
<tr>
<td>Profit for the period</td>
<td>-</td>
</tr>
<tr>
<td>Other Comprehensive Income for the period (net of tax)</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive income for the period</td>
<td>-</td>
</tr>
<tr>
<td>Transactions with equity holders, recognised directly in equity</td>
<td></td>
</tr>
<tr>
<td>Final dividend 2017 - Scrip</td>
<td>706,515</td>
</tr>
<tr>
<td>Interim dividend 2017 - Cash</td>
<td>-</td>
</tr>
<tr>
<td>Issue of shares under ESOP</td>
<td>29,021</td>
</tr>
<tr>
<td>Total transactions with equity holders</td>
<td>735,536</td>
</tr>
<tr>
<td>Transfer from life policy holder reserve fund</td>
<td>-</td>
</tr>
<tr>
<td>Transfers during the year 2018</td>
<td>10,594</td>
</tr>
<tr>
<td>Balance as at 31st March 2018</td>
<td>26,646,155</td>
</tr>
<tr>
<td>5,687,949</td>
<td>6,260,000</td>
</tr>
<tr>
<td>19,433,829</td>
<td>49,100,000</td>
</tr>
<tr>
<td>381,156</td>
<td>(73,877)</td>
</tr>
</tbody>
</table>
### STATEMENT OF CASH FLOWS

**BANK GROUP**

For the 3 month ended 31st March 2019 2018 2019 2018

<table>
<thead>
<tr>
<th></th>
<th>2019 Rs 000</th>
<th>2018 Rs 000</th>
<th>2019 Rs 000</th>
<th>2018 Rs 000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest receipts</td>
<td>29,665,832</td>
<td>23,180,095</td>
<td>31,935,141</td>
<td>25,547,497</td>
</tr>
<tr>
<td>Interest payments</td>
<td>(17,014,933)</td>
<td>(16,102,546)</td>
<td>(17,649,438)</td>
<td>(15,848,557)</td>
</tr>
<tr>
<td>Net commission receipts</td>
<td>2,255,819</td>
<td>2,066,681</td>
<td>2,573,470</td>
<td>2,384,323</td>
</tr>
<tr>
<td>Trading income</td>
<td>1,705,321</td>
<td>614,158</td>
<td>1,706,077</td>
<td>599,794</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(3,320,678)</td>
<td>(2,749,057)</td>
<td>(4,015,457)</td>
<td>(3,451,918)</td>
</tr>
<tr>
<td>VAT &amp; NET on financial services &amp; DRL</td>
<td>(2,069,367)</td>
<td>(1,193,098)</td>
<td>(2,235,822)</td>
<td>(1,307,073)</td>
</tr>
<tr>
<td>Receipts from other operating activities</td>
<td>883,767</td>
<td>718,110</td>
<td>1,207,628</td>
<td>1,873,054</td>
</tr>
<tr>
<td>Payments on other operating activities</td>
<td>(3,265,604)</td>
<td>(2,494,666)</td>
<td>(4,191,562)</td>
<td>(3,557,510)</td>
</tr>
<tr>
<td><strong>Operating profit before change in operating assets &amp; liabilities</strong></td>
<td>7,832,623</td>
<td>4,179,677</td>
<td>9,330,037</td>
<td>6,239,610</td>
</tr>
<tr>
<td>Balances with Central Bank of Sri Lanka</td>
<td>4,532,965</td>
<td>1,979,694</td>
<td>4,532,965</td>
<td>1,979,694</td>
</tr>
<tr>
<td>Financial assets at amortised cost - loans &amp; advances</td>
<td>(2,630,510)</td>
<td>(33,303,846)</td>
<td>(5,032,338)</td>
<td>(35,364,111)</td>
</tr>
<tr>
<td>Reverse repurchase agreements</td>
<td>(1,200,000)</td>
<td>(1,200,000)</td>
<td>(1,089,767)</td>
<td>(1,699,599)</td>
</tr>
<tr>
<td><strong>Other assets</strong></td>
<td>2,925,412</td>
<td>(10,108)</td>
<td>5,652,778</td>
<td>(215,835)</td>
</tr>
<tr>
<td><strong>Increase / (decrease) in operating assets</strong></td>
<td>3,627,867</td>
<td>(32,942,260)</td>
<td>4,063,638</td>
<td>(35,299,851)</td>
</tr>
<tr>
<td>Financial liabilities at amortised cost - due to depositors</td>
<td>(350,025)</td>
<td>20,127,019</td>
<td>1,889,655</td>
<td>20,043,768</td>
</tr>
<tr>
<td>Financial liabilities at amortised cost - other borrowings</td>
<td>(7,913,919)</td>
<td>26,306,527</td>
<td>7,439,015</td>
<td>612,177</td>
</tr>
<tr>
<td><strong>Securities Sold under repurchase agreements</strong></td>
<td>(286,845)</td>
<td>10,194,165</td>
<td>286,845</td>
<td>10,194,165</td>
</tr>
<tr>
<td><strong>Other liabilities</strong></td>
<td>3,577,471</td>
<td>4,466,533</td>
<td>964,212</td>
<td>4,737,430</td>
</tr>
<tr>
<td><strong>Increase / (decrease) in operating liabilities</strong></td>
<td>(4,982,318)</td>
<td>35,403,334</td>
<td>(4,871,993)</td>
<td>35,587,540</td>
</tr>
<tr>
<td><strong>Net cash generated from operating activities before income tax</strong></td>
<td>6,478,172</td>
<td>6,640,751</td>
<td>8,521,683</td>
<td>6,527,299</td>
</tr>
<tr>
<td>Income tax paid</td>
<td>(1,246,601)</td>
<td>(900,428)</td>
<td>(1,338,577)</td>
<td>(1,091,930)</td>
</tr>
<tr>
<td><strong>Net cash generated from operating activities</strong></td>
<td>5,231,571</td>
<td>5,740,323</td>
<td>7,183,106</td>
<td>5,435,369</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of property, plant &amp; equipment</td>
<td>(264,478)</td>
<td>(242,913)</td>
<td>(327,847)</td>
<td>(277,432)</td>
</tr>
<tr>
<td>Proceeds from the sale of property, plant &amp; equipment</td>
<td>420</td>
<td>253</td>
<td>1,185</td>
<td>2,308</td>
</tr>
<tr>
<td>Net proceeds from sale, maturity and purchase of financial investments</td>
<td>(7,183,840)</td>
<td>6,275,599</td>
<td>(8,364,571)</td>
<td>(7,034,464)</td>
</tr>
<tr>
<td>Net purchase of intangible assets</td>
<td>(44,310)</td>
<td>(49,587)</td>
<td>(46,468)</td>
<td>(54,629)</td>
</tr>
<tr>
<td>Dividends received from investment in subsidiaries</td>
<td>-</td>
<td>221,095</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Dividends received from other investments</td>
<td>125,090</td>
<td>166,544</td>
<td>125,916</td>
<td>168,158</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>(7,167,118)</td>
<td>6,180,207</td>
<td>(6,611,812)</td>
<td>(7,194,059)</td>
</tr>
<tr>
<td><strong>Cash flows from financing activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net proceeds from the issue of ordinary share capital</td>
<td>-</td>
<td>11,896</td>
<td>-</td>
<td>11,896</td>
</tr>
<tr>
<td>Dividend paid to non controlling interest</td>
<td>-</td>
<td>-</td>
<td>(159)</td>
<td>(212,994)</td>
</tr>
<tr>
<td>Dividend paid to shareholders of the parent company</td>
<td>(489,313)</td>
<td>(2,477,803)</td>
<td>(489,313)</td>
<td>(2,477,803)</td>
</tr>
<tr>
<td><strong>Net cash used in financing activities</strong></td>
<td>(489,313)</td>
<td>(2,465,907)</td>
<td>(489,472)</td>
<td>(2,678,901)</td>
</tr>
<tr>
<td><strong>Net decrease in cash and cash equivalents</strong></td>
<td>(2,624,860)</td>
<td>(2,905,791)</td>
<td>(1,918,178)</td>
<td>(4,438,591)</td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of the period</td>
<td>28,434,623</td>
<td>24,922,177</td>
<td>33,473,086</td>
<td>31,595,023</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the end of the period</strong></td>
<td>25,809,763</td>
<td>22,016,386</td>
<td>31,554,908</td>
<td>27,155,432</td>
</tr>
</tbody>
</table>

**Cash and cash equivalents at the end of the period**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>23,025,645</td>
<td>22,016,386</td>
<td>23,418,533</td>
<td>21,977,907</td>
</tr>
<tr>
<td>Placements with banks</td>
<td>2,784,118</td>
<td>8,136,375</td>
<td>5,177,525</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>25,809,763</td>
<td>31,554,908</td>
<td>27,155,432</td>
<td></td>
</tr>
</tbody>
</table>
### ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS - BANK

#### As at 31st March 2019

<table>
<thead>
<tr>
<th></th>
<th>Fair Value Through Profit or Loss</th>
<th>Amortised Cost</th>
<th>Fair Value Through Other Comprehensive Income</th>
<th>Total Carrying Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rs 000</td>
<td>Rs 000</td>
<td>Rs 000</td>
<td>Rs 000</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>-</td>
<td>23,025,645</td>
<td>-</td>
<td>23,025,645</td>
</tr>
<tr>
<td>Placements with banks</td>
<td>-</td>
<td>2,784,118</td>
<td>-</td>
<td>2,784,118</td>
</tr>
<tr>
<td>Balances with Central Bank of Sri Lanka</td>
<td>-</td>
<td>29,374,092</td>
<td>-</td>
<td>29,374,092</td>
</tr>
<tr>
<td>Reverse repurchase agreements</td>
<td>-</td>
<td>1,297,224</td>
<td>-</td>
<td>1,297,224</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>2,007,229</td>
<td>-</td>
<td>-</td>
<td>2,007,229</td>
</tr>
<tr>
<td>Financial assets recognised through profit or loss</td>
<td>1,667,414</td>
<td>-</td>
<td>-</td>
<td>1,667,414</td>
</tr>
<tr>
<td>Financial assets at amortised cost - loans and advances</td>
<td>749,826,719</td>
<td>-</td>
<td>-</td>
<td>749,826,719</td>
</tr>
<tr>
<td>Financial assets at amortised cost - debt and other instruments</td>
<td>147,314,407</td>
<td>-</td>
<td>-</td>
<td>147,314,407</td>
</tr>
<tr>
<td>Financial assets measured at fair value through other comprehensive income</td>
<td>-</td>
<td>-</td>
<td>85,696,573</td>
<td>85,696,573</td>
</tr>
<tr>
<td>Other assets</td>
<td>-</td>
<td>482,831</td>
<td>-</td>
<td>482,831</td>
</tr>
<tr>
<td><strong>Total financial assets</strong></td>
<td>3,074,643</td>
<td>954,105,036</td>
<td>85,696,573</td>
<td>1,042,876,252</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due to banks</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>73,596,704</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>1,703,736</td>
<td>-</td>
<td>-</td>
<td>1,703,736</td>
</tr>
<tr>
<td>Securities sold under repurchase agreements</td>
<td>-</td>
<td>16,395,900</td>
<td>-</td>
<td>16,395,900</td>
</tr>
<tr>
<td>Financial liabilities at amortised cost - due to depositors</td>
<td>-</td>
<td>799,666,800</td>
<td>-</td>
<td>799,666,800</td>
</tr>
<tr>
<td>Dividends payable</td>
<td>-</td>
<td>2,471,175</td>
<td>-</td>
<td>2,471,175</td>
</tr>
<tr>
<td>Financial liabilities at amortised cost - other borrowings</td>
<td>-</td>
<td>21,091,242</td>
<td>-</td>
<td>21,091,242</td>
</tr>
<tr>
<td>Debt securities issued</td>
<td>-</td>
<td>4,597,139</td>
<td>-</td>
<td>4,597,139</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>-</td>
<td>35,206</td>
<td>-</td>
<td>35,206</td>
</tr>
<tr>
<td>Subordinated term debts</td>
<td>-</td>
<td>21,818,348</td>
<td>-</td>
<td>21,818,348</td>
</tr>
<tr>
<td><strong>Total financial liabilities</strong></td>
<td>1,703,736</td>
<td>939,672,514</td>
<td>-</td>
<td>941,376,250</td>
</tr>
</tbody>
</table>

#### As at 31st December 2018

<table>
<thead>
<tr>
<th></th>
<th>Fair Value Through Profit or Loss</th>
<th>Amortised Cost</th>
<th>Fair Value Through Other Comprehensive Income</th>
<th>Total Carrying Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rs 000</td>
<td>Rs 000</td>
<td>Rs 000</td>
<td>Rs 000</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>-</td>
<td>25,141,890</td>
<td>-</td>
<td>25,141,890</td>
</tr>
<tr>
<td>Placements with banks</td>
<td>-</td>
<td>3,292,733</td>
<td>-</td>
<td>3,292,733</td>
</tr>
<tr>
<td>Balances with Central Bank of Sri Lanka</td>
<td>-</td>
<td>33,907,057</td>
<td>-</td>
<td>33,907,057</td>
</tr>
<tr>
<td>Reverse repurchase agreements</td>
<td>-</td>
<td>90,094</td>
<td>-</td>
<td>90,094</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>4,507,576</td>
<td>-</td>
<td>-</td>
<td>4,507,576</td>
</tr>
<tr>
<td>Financial assets recognised through profit or loss</td>
<td>100,342</td>
<td>-</td>
<td>-</td>
<td>100,342</td>
</tr>
<tr>
<td>Financial assets at amortised cost - loans and advances</td>
<td>749,048,820</td>
<td>-</td>
<td>-</td>
<td>749,048,820</td>
</tr>
<tr>
<td>Financial assets at amortised cost - debt and other instruments</td>
<td>160,145,680</td>
<td>-</td>
<td>-</td>
<td>160,145,680</td>
</tr>
<tr>
<td>Financial assets measured at fair value through other comprehensive income</td>
<td>-</td>
<td>-</td>
<td>69,436,989</td>
<td>69,436,989</td>
</tr>
<tr>
<td>Other assets</td>
<td>-</td>
<td>466,252</td>
<td>-</td>
<td>466,252</td>
</tr>
<tr>
<td><strong>Total financial assets</strong></td>
<td>4,607,918</td>
<td>972,092,526</td>
<td>69,436,989</td>
<td>1,046,137,433</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due to banks</td>
<td>-</td>
<td>77,492,582</td>
<td>-</td>
<td>77,492,582</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>2,519,172</td>
<td>-</td>
<td>-</td>
<td>2,519,172</td>
</tr>
<tr>
<td>Securities sold under repurchase agreements</td>
<td>-</td>
<td>16,678,946</td>
<td>-</td>
<td>16,678,946</td>
</tr>
<tr>
<td>Financial liabilities at amortised cost - due to depositors</td>
<td>-</td>
<td>799,975,356</td>
<td>-</td>
<td>799,975,356</td>
</tr>
<tr>
<td>Dividends payable</td>
<td>-</td>
<td>994,812</td>
<td>-</td>
<td>994,812</td>
</tr>
<tr>
<td>Financial liabilities at amortised cost - other borrowings</td>
<td>-</td>
<td>24,894,155</td>
<td>-</td>
<td>24,894,155</td>
</tr>
<tr>
<td>Debt securities issued</td>
<td>-</td>
<td>4,487,763</td>
<td>-</td>
<td>4,487,763</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>-</td>
<td>12,951</td>
<td>-</td>
<td>12,951</td>
</tr>
<tr>
<td>Subordinated term debts</td>
<td>-</td>
<td>22,229,951</td>
<td>-</td>
<td>22,229,951</td>
</tr>
<tr>
<td><strong>Total financial liabilities</strong></td>
<td>2,519,172</td>
<td>946,706,516</td>
<td>-</td>
<td>949,285,688</td>
</tr>
</tbody>
</table>
### Analysis of Financial Instruments by Measurement Basis - Group

#### As at 31st March 2019

<table>
<thead>
<tr>
<th>Description</th>
<th>Fair Value Through Profit or Loss</th>
<th>Amortised Cost</th>
<th>Fair Value through Other Comprehensive Income</th>
<th>Total Carrying Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rs 000</td>
<td>Rs 000</td>
<td>Rs 000</td>
<td>Rs 000</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>-</td>
<td>23,418,533</td>
<td>-</td>
<td>23,418,533</td>
</tr>
<tr>
<td>Balances with Central Bank of Sri Lanka</td>
<td>-</td>
<td>29,374,092</td>
<td>-</td>
<td>29,374,092</td>
</tr>
<tr>
<td>Placements with banks</td>
<td>-</td>
<td>8,136,375</td>
<td>-</td>
<td>8,136,375</td>
</tr>
<tr>
<td>Reverse repurchase agreements</td>
<td>-</td>
<td>2,265,661</td>
<td>-</td>
<td>2,265,661</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>2,007,229</td>
<td>2,007,229</td>
<td>-</td>
<td>2,007,229</td>
</tr>
<tr>
<td>Financial assets recognised through profit or loss</td>
<td>1,208,755</td>
<td>-</td>
<td>-</td>
<td>1,208,755</td>
</tr>
<tr>
<td>Financial assets at amortised cost - loans and advances</td>
<td>772,932,937</td>
<td>-</td>
<td>-</td>
<td>772,932,937</td>
</tr>
<tr>
<td>Financial assets at amortised cost - debt and other instruments</td>
<td>154,010,590</td>
<td>-</td>
<td>-</td>
<td>154,010,590</td>
</tr>
<tr>
<td>Financial assets measured at fair value through other comprehensive income</td>
<td>-</td>
<td>92,432,290</td>
<td>92,432,290</td>
<td>92,432,290</td>
</tr>
<tr>
<td>Other assets</td>
<td>-</td>
<td>1,914,741</td>
<td>-</td>
<td>1,914,741</td>
</tr>
<tr>
<td>Total financial assets</td>
<td>3,215,984</td>
<td>992,052,929</td>
<td>92,432,290</td>
<td>1,087,701,203</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due to banks</td>
<td>-</td>
<td>74,555,037</td>
<td>-</td>
<td>74,555,037</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>1,703,736</td>
<td>-</td>
<td>-</td>
<td>1,703,736</td>
</tr>
<tr>
<td>Securities sold under repurchase agreements</td>
<td>-</td>
<td>16,395,900</td>
<td>-</td>
<td>16,395,900</td>
</tr>
<tr>
<td>Financial liabilities at amortised cost - due to depositors</td>
<td>820,011,721</td>
<td>-</td>
<td>-</td>
<td>820,011,721</td>
</tr>
<tr>
<td>Dividends payable</td>
<td>-</td>
<td>2,265,661</td>
<td>-</td>
<td>2,265,661</td>
</tr>
<tr>
<td>Financial liabilities at amortised cost - other borrowings</td>
<td>21,091,242</td>
<td>-</td>
<td>-</td>
<td>21,091,242</td>
</tr>
<tr>
<td>Debt securities issued</td>
<td>-</td>
<td>5,137,573</td>
<td>-</td>
<td>5,137,573</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>-</td>
<td>21,522,558</td>
<td>-</td>
<td>21,522,558</td>
</tr>
<tr>
<td>Subordinated term debts</td>
<td>-</td>
<td>2,123,529</td>
<td>-</td>
<td>2,123,529</td>
</tr>
<tr>
<td>Total financial liabilities</td>
<td>1,703,736</td>
<td>963,463,232</td>
<td>-</td>
<td>965,166,968</td>
</tr>
</tbody>
</table>

#### As at 31st December 2018

<table>
<thead>
<tr>
<th>Description</th>
<th>Fair Value Through Profit or Loss</th>
<th>Amortised Cost</th>
<th>Fair Value through Other Comprehensive Income</th>
<th>Total Carrying Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rs 000</td>
<td>Rs 000</td>
<td>Rs 000</td>
<td>Rs 000</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>-</td>
<td>24,966,831</td>
<td>-</td>
<td>24,966,831</td>
</tr>
<tr>
<td>Placements with banks</td>
<td>-</td>
<td>8,506,255</td>
<td>-</td>
<td>8,506,255</td>
</tr>
<tr>
<td>Balances with Central Bank of Sri Lanka</td>
<td>-</td>
<td>33,907,057</td>
<td>-</td>
<td>33,907,057</td>
</tr>
<tr>
<td>Reverse repurchase agreements</td>
<td>-</td>
<td>1,168,764</td>
<td>-</td>
<td>1,168,764</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>4,507,576</td>
<td>-</td>
<td>-</td>
<td>4,507,576</td>
</tr>
<tr>
<td>Financial assets recognised through profit or loss</td>
<td>264,420</td>
<td>-</td>
<td>-</td>
<td>264,420</td>
</tr>
<tr>
<td>Financial assets at amortised cost - loans and advances</td>
<td>770,263,000</td>
<td>-</td>
<td>-</td>
<td>770,263,000</td>
</tr>
<tr>
<td>Financial assets at amortised cost - debt and other instruments</td>
<td>165,821,983</td>
<td>-</td>
<td>-</td>
<td>165,821,983</td>
</tr>
<tr>
<td>Financial assets measured at fair value through other comprehensive income</td>
<td>-</td>
<td>76,005,258</td>
<td>76,005,258</td>
<td>76,005,258</td>
</tr>
<tr>
<td>Other assets</td>
<td>-</td>
<td>1,322,063</td>
<td>-</td>
<td>1,322,063</td>
</tr>
<tr>
<td>Total financial assets</td>
<td>4,771,996</td>
<td>1,005,955,953</td>
<td>76,005,258</td>
<td>1,086,733,207</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due to banks</td>
<td>-</td>
<td>77,976,010</td>
<td>-</td>
<td>77,976,010</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>2,519,172</td>
<td>-</td>
<td>-</td>
<td>2,519,172</td>
</tr>
<tr>
<td>Securities sold under repurchase agreements</td>
<td>-</td>
<td>16,678,946</td>
<td>-</td>
<td>16,678,946</td>
</tr>
<tr>
<td>Financial liabilities at amortised cost - due to depositors</td>
<td>818,041,962</td>
<td>-</td>
<td>-</td>
<td>818,041,962</td>
</tr>
<tr>
<td>Dividends payable</td>
<td>-</td>
<td>1,009,468</td>
<td>-</td>
<td>1,009,468</td>
</tr>
<tr>
<td>Financial liabilities at amortised cost - other borrowers</td>
<td>24,894,155</td>
<td>-</td>
<td>-</td>
<td>24,894,155</td>
</tr>
<tr>
<td>Financial liabilities at amortised cost - debt securities issued</td>
<td>5,030,000</td>
<td>-</td>
<td>-</td>
<td>5,030,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>-</td>
<td>21,930,246</td>
<td>-</td>
<td>21,930,246</td>
</tr>
<tr>
<td>Total financial liabilities</td>
<td>2,519,172</td>
<td>967,692,978</td>
<td>-</td>
<td>970,212,150</td>
</tr>
</tbody>
</table>
### SEGMENT REPORTING


<table>
<thead>
<tr>
<th>Segment</th>
<th>Corporate</th>
<th>Retail</th>
<th>SME</th>
<th>Micro</th>
<th>Treasury</th>
<th>Real Estate</th>
<th>Insurance</th>
<th>NBFI*</th>
<th>Eliminations / Unallocated</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest income</td>
<td>2,318,662</td>
<td>2,613,244</td>
<td>3,845,813</td>
<td>3,065,945</td>
<td>2,900,170</td>
<td>266,901</td>
<td>29,310</td>
<td>40,962</td>
<td>524,492</td>
<td>1,090,000</td>
</tr>
<tr>
<td>Foreign Exchange income</td>
<td>46,722</td>
<td>31,995</td>
<td>66,727</td>
<td>27,028</td>
<td>102,439</td>
<td>66,431</td>
<td>539</td>
<td>(172,752)</td>
<td>61,963</td>
<td>-</td>
</tr>
<tr>
<td>Net fee and commission income</td>
<td>596,442</td>
<td>514,054</td>
<td>504,983</td>
<td>471,008</td>
<td>850,476</td>
<td>845,045</td>
<td>40,308</td>
<td>35,433</td>
<td>301,070</td>
<td>240,564</td>
</tr>
<tr>
<td>Other operating income</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total operating income</td>
<td>2,963,826</td>
<td>3,159,293</td>
<td>4,803,926</td>
<td>4,343,849</td>
<td>4,016,510</td>
<td>4,218,467</td>
<td>323,914</td>
<td>290,057</td>
<td>3,052,750</td>
<td>2,085,526</td>
</tr>
<tr>
<td>Impairment charge for loans and other losses</td>
<td>1,632,901</td>
<td>64,177</td>
<td>409,370</td>
<td>24,938</td>
<td>1,838,176</td>
<td>1,144,059</td>
<td>330,066</td>
<td>91,281</td>
<td>(89,611)</td>
<td>495,553</td>
</tr>
<tr>
<td>Net operating income</td>
<td>1,330,925</td>
<td>3,095,116</td>
<td>4,394,556</td>
<td>4,368,787</td>
<td>3,142,361</td>
<td>3,105,246</td>
<td>211,932</td>
<td>205,993</td>
<td>1,047,928</td>
<td>1,229,760</td>
</tr>
<tr>
<td>Profit from operation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Share of profit of joint venture</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Income tax expenses</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net profit for the year attributable to equity holders of the parent</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Segment assets</td>
<td>353,583,461</td>
<td>319,255,005</td>
<td>164,016,799</td>
<td>139,389,684</td>
<td>242,446,552</td>
<td>216,446,552</td>
<td>26,766,084</td>
<td>21,757,708</td>
<td>232,126,724</td>
<td>210,863,834</td>
</tr>
<tr>
<td>Investment in joint venture</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Assets</td>
<td>353,583,461</td>
<td>319,255,005</td>
<td>164,016,799</td>
<td>139,389,684</td>
<td>242,446,552</td>
<td>216,446,552</td>
<td>26,766,084</td>
<td>21,757,708</td>
<td>232,126,724</td>
<td>210,863,834</td>
</tr>
</tbody>
</table>

* Business of HNB Finance Ltd.
EXPLANATORY NOTES

1. There are no changes in accounting policies and methods of computation since the publication of annual accounts for the year 2018 except for the initial adoption of SLFRS 16 – “Leases” which became applicable for financial reporting periods beginning on or after 1st January 2019.

   SLFRS 16 requires the recognition of lease liabilities and right of use of assets for leases previously classified as operating leases in accordance with LKAS 17 – “Leases”.

2. The comparative financial statements for the period ended 31st March 2018 presented in these financial statements have been restated by incorporating the impact of adopting SLFRS 9 - “Financial Instruments” on 1st January 2018. SLFRS 9 became applicable for financial periods beginning on or after 1st January 2018. However, Bank previously presented the interim financial statements for the period ended 31st March 2018 by applying LKAS 39 – “Financial Instruments – Recognition and Measurement” as permitted by the “Statement of Alternative Treatment (SoAT) on the Figures in the Interim Financial Statements” issued by CA Sri Lanka.

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, comparative figures have been reclassified to conform to Central Bank of Sri Lanka publication requirements.

6. The consolidated financial statements of the Bank cover the Bank and its subsidiaries HNB Assurance PLC, Sithma Development (Pvt) Ltd, HNB Finance Ltd & the Group’s interest in Joint Venture Acuity Partners (Pvt) Ltd.

7. The funds raised through debentures were fully utilized for the objectives mentioned in the prospectuses.

8. There are no material events that took place after the balance sheet date which require adjustment or disclosure in the financial statements.
## SELECTED PERFORMANCE INDICATORS (AS PER REGULATORY REPORTING)

<table>
<thead>
<tr>
<th></th>
<th>As at 31.03.2019</th>
<th>As at 31.12.2018</th>
<th>As at 31.03.2019</th>
<th>As at 31.12.2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BASEL III</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Regulatory Capital</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common Equity Tier 1. Rs. Mn</td>
<td>101,589</td>
<td>104,029</td>
<td>112,316</td>
<td>114,423</td>
</tr>
<tr>
<td>Total Tier 1 Capital. Rs. Mn</td>
<td>101,589</td>
<td>104,029</td>
<td>112,316</td>
<td>114,423</td>
</tr>
<tr>
<td>Total Capital. Rs. Mn</td>
<td>119,694</td>
<td>123,725</td>
<td>130,314</td>
<td>134,012</td>
</tr>
<tr>
<td><strong>Regulatory Capital Ratios</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common Equity Tier 1 Capital Ratio (%)</td>
<td>12.56%</td>
<td>12.80%</td>
<td>12.94%</td>
<td>13.16%</td>
</tr>
<tr>
<td>Tier 1 Capital Ratio (%)</td>
<td>12.56%</td>
<td>12.80%</td>
<td>12.94%</td>
<td>13.16%</td>
</tr>
<tr>
<td>Total Capital Ratio (%)</td>
<td>14.79%</td>
<td>15.22%</td>
<td>15.01%</td>
<td>15.41%</td>
</tr>
<tr>
<td><strong>Assets Quality (Quality of Loan Portfolio)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Non-Performing Advances Ratio, %</td>
<td>4.63%</td>
<td>2.78%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(net of Interest in Suspense)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Non-Performing Advances Ratio, %</td>
<td>2.92%</td>
<td>1.11%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(net of Interest in Suspense and provisions)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Profitability (Annualised)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Margin, %</td>
<td>4.78%</td>
<td>4.64%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Return on Assets (before Tax), %</td>
<td>1.20%</td>
<td>2.24%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Return on Equity, %</td>
<td>7.03%</td>
<td>14.01%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Regulatory Liquidity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statutory Liquid Assets, Rs. Mn</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic Banking unit</td>
<td>219,475</td>
<td>187,213</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Off-Shore Banking Unit</td>
<td>31,515</td>
<td>38,402</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statutory Liquid Assets Ratio %</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic Banking unit</td>
<td>24.88%</td>
<td>22.03%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Off-Shore Banking Unit</td>
<td>37.50%</td>
<td>43.52%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Stock of High Quality Liquid Assets, Rs. Mn</td>
<td>101,555</td>
<td>90,942</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liquidity Coverage Ratio % - Rupee (Minimum Requirement - 2019 - 100%; 2018 - 90%)</td>
<td>191.62%</td>
<td>153.16%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liquidity Coverage Ratio % - All currency (Minimum Requirement - 2019 - 100%; 2018 - 90%)</td>
<td>115.82%</td>
<td>103.85%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Stable Funding Ratio % - (Minimum Requirement 90%)</td>
<td>105.00%</td>
<td>100.00%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### RATIOS OF DEBT

<table>
<thead>
<tr>
<th>Quarter ended 31st March</th>
<th>Market Value</th>
<th>Last Traded</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Highest Rs.</td>
<td>Lowest Rs.</td>
</tr>
<tr>
<td>31.03.2019</td>
<td>74.03</td>
<td>3.28</td>
</tr>
<tr>
<td>31.12.2018</td>
<td>78.38</td>
<td>4.81</td>
</tr>
</tbody>
</table>

| Debt Equity Ratio (%)   | N/T          | N/T          |
| 31.03.2019              | N/T          | N/T          |
| 31.12.2018              | N/T          | N/T          |

| Interest Cover (Times)  | N/T          | N/T          |
| 31.03.2019              | N/T          | N/T          |
| 31.12.2018              | N/T          | N/T          |

<table>
<thead>
<tr>
<th>Yield of Comparable Govt. Security for the following HNB Debentures (% p.a.)</th>
<th>N/T – Not Traded as at 31st March</th>
<th>N/A – Not Applicable as at 31st March</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006 series 15 year maturity</td>
<td>10.52</td>
<td>11.00</td>
</tr>
<tr>
<td>2006 series 18 year maturity</td>
<td>10.97</td>
<td>11.48</td>
</tr>
<tr>
<td>2007 series 15 year maturity</td>
<td>10.74</td>
<td>11.23</td>
</tr>
<tr>
<td>2007 series 10 year maturity</td>
<td>10.60</td>
<td>11.08</td>
</tr>
<tr>
<td>2013 series 5 year maturity</td>
<td>N/A</td>
<td>8.09</td>
</tr>
<tr>
<td>2013 series 10 year maturity</td>
<td>10.86</td>
<td>10.32</td>
</tr>
<tr>
<td>2014 series 5 year maturity</td>
<td>9.81</td>
<td>9.34</td>
</tr>
<tr>
<td>2014 series 10 year maturity</td>
<td>11.05</td>
<td>10.34</td>
</tr>
<tr>
<td>2016 series 5 year maturity</td>
<td>10.52</td>
<td>9.99</td>
</tr>
<tr>
<td>2016 series 5 year maturity</td>
<td>10.52</td>
<td>9.99</td>
</tr>
<tr>
<td>2016 series 7 year maturity</td>
<td>10.86</td>
<td>10.32</td>
</tr>
</tbody>
</table>

### LISTED DEBENTURE INFORMATION

<table>
<thead>
<tr>
<th>Quarter ended 31st March</th>
<th>Interest Yield as at Last Trade Done (%)</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>31.03.2019</td>
<td>N/T</td>
<td>N/T</td>
<td>N/T</td>
</tr>
<tr>
<td>31.12.2018</td>
<td>N/T</td>
<td>N/T</td>
<td>N/T</td>
</tr>
</tbody>
</table>

| 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  | N/T  |

| HNB DEBENTURES 2007     | 15 year Fixed Rate (16.75% p.a.)         | N/T  | N/T  |
| 10 year Fixed Rate (11.50% p.a.) | N/T          | N/T  | N/T  |

| HNB DEBENTURES 2011     | 5 year Fixed Rate (14.00% p.a.)          | N/A  | N/T  |
| 10 year Fixed Rate (14.25% p.a.) | N/T          | N/T  | N/T  |

| HNB DEBENTURES 2013     | 5 year Fixed Rate (7.75% p.a.)           | N/T  | N/T  |
| 10 year Fixed Rate (8.33% p.a.) | N/T          | N/T  | N/T  |

| HNB DEBENTURES 2014     | 5 year Fixed Rate (11.25% p.a.)          | 14.93| 14.52|
| 5 year Fixed Rate (11.75% p.a.) | N/T          | N/T  | N/T  |

| HNB DEBENTURES 2016     | 7 year Fixed Rate (13.00% p.a.)          | 12.95| N/T  |
| 5 year Fixed Rate (11.25% p.a.) | 11.25 | 11.25|
| 5 year Fixed Rate (11.75% p.a.) | N/T          | N/T  | N/T  |

| HNB DEBENTURES 2017     | 7 year Fixed Rate (13.00% p.a.)          | 13.00| N/T  |
| 5 year Fixed Rate (11.25% p.a.) | 11.25 | 11.25|
| 5 year Fixed Rate (11.75% p.a.) | N/T          | N/T  | N/T  |

<table>
<thead>
<tr>
<th>Yield to Maturity of Last Trade Done (%)</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>31.03.2019</td>
<td>N/T</td>
<td>N/T</td>
</tr>
<tr>
<td>31.12.2018</td>
<td>N/T</td>
<td>N/T</td>
</tr>
</tbody>
</table>

| 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  | N/T  |

| HNB DEBENTURES 2007     | 15 year Fixed Rate (16.75% p.a.)         | N/T  | N/T  |
| 10 year Fixed Rate (11.50% p.a.) | N/T          | N/T  | N/T  |

| HNB DEBENTURES 2011     | 5 year Fixed Rate (14.00% p.a.)          | N/A  | N/T  |
| 10 year Fixed Rate (14.25% p.a.) | N/T          | N/T  | N/T  |

| HNB DEBENTURES 2013     | 5 year Fixed Rate (7.75% p.a.)           | N/T  | N/T  |
| 10 year Fixed Rate (8.33% p.a.) | N/T          | N/T  | N/T  |

| HNB DEBENTURES 2014     | 5 year Fixed Rate (11.25% p.a.)          | 14.93| 14.52|
| 5 year Fixed Rate (11.75% p.a.) | N/T          | N/T  | N/T  |

| HNB DEBENTURES 2016     | 7 year Fixed Rate (13.00% p.a.)          | 12.95| N/T  |
| 5 year Fixed Rate (11.25% p.a.) | 11.25 | 11.25|
| 5 year Fixed Rate (11.75% p.a.) | N/T          | N/T  | N/T  |

N/T – Not Traded as at 31st March
N/A – Not Applicable as at 31st March
## SHARE INFORMATION

<table>
<thead>
<tr>
<th></th>
<th>31-Mar-19</th>
<th>31-Dec-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Shares</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Voting</td>
<td>401,343,863</td>
<td>395,451,248</td>
</tr>
<tr>
<td>Non-voting</td>
<td>99,062,844</td>
<td>97,199,341</td>
</tr>
<tr>
<td>Last Traded Price per share</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Voting</td>
<td>175.00</td>
<td>214.00</td>
</tr>
<tr>
<td>Non-voting</td>
<td>147.00</td>
<td>168.50</td>
</tr>
</tbody>
</table>

## PUBLIC SHAREHOLDING PERCENTAGE

<table>
<thead>
<tr>
<th></th>
<th>31-Mar-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of shareholders</td>
<td></td>
</tr>
<tr>
<td>representing the public holding (Voting)</td>
<td>4,802</td>
</tr>
<tr>
<td>Number of shareholders</td>
<td></td>
</tr>
<tr>
<td>representing the public holding (Non Voting)</td>
<td>10,211</td>
</tr>
<tr>
<td>Compliant under Option 1 - Float Adjusted Market Capitalization</td>
<td>Rs. 48 Bn</td>
</tr>
</tbody>
</table>

## DIRECTORS’ AND CHIEF EXECUTIVE OFFICER’S SHAREHOLDING

<table>
<thead>
<tr>
<th></th>
<th>31-Mar-19</th>
<th>31-Dec-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. D.S. Weerakkody</td>
<td>2,089</td>
<td>2,050</td>
</tr>
<tr>
<td>Mr. A.J. Alles *</td>
<td>125,452</td>
<td>123,504</td>
</tr>
<tr>
<td>Ms. M.A.R.C. Cooray **</td>
<td>N/A</td>
<td>7,068</td>
</tr>
<tr>
<td>Dr. L.R. Karunaratne</td>
<td>1,070</td>
<td>1,055</td>
</tr>
<tr>
<td>Mr. D.T.S.H. Mudalige***</td>
<td>N/A</td>
<td>-</td>
</tr>
<tr>
<td>Mr. R.S. Captain</td>
<td>7,379</td>
<td>7,271</td>
</tr>
<tr>
<td>Mr. D.A. Cabraal</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mr. P.S.C. Pelpola</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mr. E.D.P. Sosipillai</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mr. A.H.D.A.N. De Silva</td>
<td>102</td>
<td>101</td>
</tr>
<tr>
<td>Mr. L.U.D. Fernando</td>
<td>624</td>
<td>615</td>
</tr>
<tr>
<td>Mr. W.M.D. Ratnayake</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mr. P.R. Saldin****</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

* Chief Executive Officer
** Retired w.e.f 15.02.2019
*** Resigned w.e.f 29.03.2019
**** Alternate Director to Mr. Rusi Captain
### 20 MAJOR SHAREHOLDERS (VOTING) AS AT 31ST MARCH 2019

<table>
<thead>
<tr>
<th>Name</th>
<th>No. of shares</th>
<th>% on total voting capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Employees Provident Fund</td>
<td>39,119,092</td>
<td>9.75</td>
</tr>
<tr>
<td>2. Sri Lanka Insurance Corporation Ltd-Life Fund</td>
<td>31,180,292</td>
<td>8.27</td>
</tr>
<tr>
<td>3. Milford Exports (Ceylon) (Pvt) Limited</td>
<td>31,736,382</td>
<td>8.27</td>
</tr>
<tr>
<td>4. Stassen Exports (Pvt) Limited</td>
<td>27,508,042</td>
<td>7.91</td>
</tr>
<tr>
<td>5. Mr S.E. Captain</td>
<td>26,129,128</td>
<td>6.85</td>
</tr>
<tr>
<td>6. Sonetto Holdings Limited</td>
<td>19,725,642</td>
<td>4.91</td>
</tr>
<tr>
<td>7. Sri Lanka Insurance Corporation Ltd-General Fund</td>
<td>16,989,898</td>
<td>4.23</td>
</tr>
<tr>
<td>8. Distilleries Company of Sri Lanka Plc</td>
<td>12,307,446</td>
<td>3.07</td>
</tr>
<tr>
<td>9. JPMU-Franklin Templeton Investment Funds</td>
<td>11,820,282</td>
<td>3.07</td>
</tr>
<tr>
<td>10. National Savings Bank</td>
<td>11,515,728</td>
<td>2.87</td>
</tr>
<tr>
<td>11. Standard Chartered Bank Singapore S/A HL Bank Singapore Branch</td>
<td>7,532,868</td>
<td>1.88</td>
</tr>
<tr>
<td>12. Ms L.A. Captain</td>
<td>7,500,710</td>
<td>1.87</td>
</tr>
<tr>
<td>13. RBC Investor Services Trust-RBC Emerging Markets Small-CAP Equity Fund</td>
<td>7,331,420</td>
<td>1.83</td>
</tr>
<tr>
<td>14. HSBC Intl Nom Ltd-CMG First state global umbrella Fund PLC-CMG First State Indian Subcontinent Fund</td>
<td>6,755,476</td>
<td>1.68</td>
</tr>
<tr>
<td>15. RBC Investor Services Bank-Codl SCW - Frontier Markets Fund</td>
<td>6,540,834</td>
<td>1.63</td>
</tr>
<tr>
<td>16. BNYM SANV Re-IF Ruffer Total Return Fund</td>
<td>6,313,648</td>
<td>1.68</td>
</tr>
<tr>
<td>17. SSBT-Al Mehar Commercial Investments LLC.</td>
<td>6,130,896</td>
<td>1.56</td>
</tr>
<tr>
<td>18. JPMCB-Scottish Orf SMi TR GT 6018</td>
<td>5,700,082</td>
<td>1.42</td>
</tr>
<tr>
<td>20. BNYM SANV Re-IF Ruffer Absolute Return Fund</td>
<td>4,237,905</td>
<td>0.79</td>
</tr>
</tbody>
</table>

**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 31ST MARCH 2019

<table>
<thead>
<tr>
<th>Name</th>
<th>No. of shares</th>
<th>% on total non-voting capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. UBS AG Zurich</td>
<td>8,781,597</td>
<td>8.86</td>
</tr>
<tr>
<td>3. JPMU-Franklin Templeton Investment Funds</td>
<td>7,145,272</td>
<td>7.21</td>
</tr>
<tr>
<td>4. BNYM SANV Re-Frontaura Global Frontier Fund LLC</td>
<td>5,480,087</td>
<td>5.53</td>
</tr>
<tr>
<td>5. Akbar Brothers Pvt Ltd A/c No 1</td>
<td>3,697,509</td>
<td>3.73</td>
</tr>
<tr>
<td>6. BNYM SANV Re-neon liberty lorikeet master fund lp</td>
<td>3,670,992</td>
<td>3.71</td>
</tr>
<tr>
<td>7. BNYM SANV Re-IF Ruffer total return fund</td>
<td>3,171,728</td>
<td>3.20</td>
</tr>
<tr>
<td>8. BNYM SANV Re-IF Ruffer absolute return fund</td>
<td>2,112,783</td>
<td>2.13</td>
</tr>
<tr>
<td>9. CB Europe plc lux s/a Dunross and co ab</td>
<td>2,057,553</td>
<td>2.08</td>
</tr>
<tr>
<td>10. Union Assurance plc/no-01a/c</td>
<td>1,545,068</td>
<td>1.56</td>
</tr>
<tr>
<td>11. Mr S.E. Captain</td>
<td>1,533,976</td>
<td>1.55</td>
</tr>
<tr>
<td>12. Rubber Investment trust limited a/c # 01</td>
<td>1,343,990</td>
<td>1.36</td>
</tr>
<tr>
<td>13. BNYM SANV Re-IF ruffer Investment funds : IF Ruffer Pacific fund</td>
<td>1,254,145</td>
<td>1.27</td>
</tr>
<tr>
<td>14. Employees Trust Fund Board</td>
<td>1,159,235</td>
<td>1.17</td>
</tr>
<tr>
<td>15. Deutsche Bank AG as trustee for JB Vantage value equity fund</td>
<td>1,053,788</td>
<td>1.06</td>
</tr>
<tr>
<td>16. Union assurance plc/account no.05 (unit-linked life insurance fund-equity fund)</td>
<td>995,529</td>
<td>1.00</td>
</tr>
<tr>
<td>17. Hatton National Bank PLC A/c No 2</td>
<td>712,874</td>
<td>0.72</td>
</tr>
<tr>
<td>18. Saboor Chatoor (pvt) Ltd</td>
<td>671,124</td>
<td>0.68</td>
</tr>
<tr>
<td>19. JPMCB-Templeton Global Investment Trust-Templeton Frontier Markets Fund</td>
<td>651,968</td>
<td>0.66</td>
</tr>
<tr>
<td>20. The Ceylon Investment PLC A/c # 02</td>
<td>591,185</td>
<td>0.60</td>
</tr>
</tbody>
</table>
## Analysis of Loans & Advances, Commitments, Contingencies and Impairment

### Bank Group

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rs.000</td>
<td>Rs.000</td>
<td>Rs.000</td>
<td>Rs.000</td>
</tr>
<tr>
<td><strong>1) Product-wise Gross loans and Receivables to Customers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic Currency</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overdrafts</td>
<td>125,208,993</td>
<td>119,831,175</td>
<td>125,208,993</td>
<td>119,621,682</td>
</tr>
<tr>
<td>Bills of exchange</td>
<td>990,911</td>
<td>841,909</td>
<td>990,911</td>
<td>841,909</td>
</tr>
<tr>
<td>Commercial papers</td>
<td>153,678</td>
<td>154,193</td>
<td>153,678</td>
<td>154,193</td>
</tr>
<tr>
<td>Short term loans</td>
<td>91,446,302</td>
<td>86,203,919</td>
<td>91,036,979</td>
<td>86,447,031</td>
</tr>
<tr>
<td>Credit Cards</td>
<td>8,070,514</td>
<td>7,926,448</td>
<td>8,070,514</td>
<td>7,926,448</td>
</tr>
<tr>
<td>Trust receipts</td>
<td>40,640,280</td>
<td>44,396,097</td>
<td>40,640,280</td>
<td>44,396,097</td>
</tr>
<tr>
<td>Packing credit loans</td>
<td>1,467,665</td>
<td>1,457,652</td>
<td>1,467,665</td>
<td>1,457,652</td>
</tr>
<tr>
<td>Staff loans</td>
<td>13,545,028</td>
<td>13,139,967</td>
<td>14,248,561</td>
<td>13,830,322</td>
</tr>
<tr>
<td>Term loans</td>
<td>299,065,093</td>
<td>301,545,505</td>
<td>314,532,593</td>
<td>316,207,450</td>
</tr>
<tr>
<td>Leasing rentals receivable</td>
<td>34,809,403</td>
<td>34,609,403</td>
<td>34,809,403</td>
<td>34,609,403</td>
</tr>
<tr>
<td>Housing loans</td>
<td>34,809,403</td>
<td>34,609,403</td>
<td>34,809,403</td>
<td>34,609,403</td>
</tr>
<tr>
<td>Total</td>
<td>775,796,149</td>
<td>771,692,624</td>
<td>771,692,624</td>
<td>771,692,624</td>
</tr>
<tr>
<td>Foreign Currency</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overdrafts</td>
<td>1,986,228</td>
<td>2,751,256</td>
<td>1,986,228</td>
<td>2,751,256</td>
</tr>
<tr>
<td>Bills of exchange</td>
<td>1,628,103</td>
<td>1,659,634</td>
<td>1,628,103</td>
<td>1,659,634</td>
</tr>
<tr>
<td>Short term loans</td>
<td>1,388,262</td>
<td>1,717,758</td>
<td>1,388,262</td>
<td>1,717,758</td>
</tr>
<tr>
<td>Trust receipts</td>
<td>3,958,610</td>
<td>4,628,051</td>
<td>3,958,610</td>
<td>4,628,051</td>
</tr>
<tr>
<td>Packing credit loans</td>
<td>15,895,933</td>
<td>16,954,308</td>
<td>15,895,933</td>
<td>16,954,308</td>
</tr>
<tr>
<td>Term loans</td>
<td>60,899,693</td>
<td>64,003,962</td>
<td>60,899,693</td>
<td>64,003,962</td>
</tr>
<tr>
<td>Lease rentals receivable</td>
<td>278,794</td>
<td>316,345</td>
<td>278,794</td>
<td>316,345</td>
</tr>
<tr>
<td>Housing loans</td>
<td>2,119,854</td>
<td>2,197,543</td>
<td>2,119,854</td>
<td>2,197,543</td>
</tr>
<tr>
<td>Total</td>
<td>88,155,477</td>
<td>94,228,857</td>
<td>88,155,477</td>
<td>94,228,857</td>
</tr>
</tbody>
</table>

### Stage-wise Impairment on loans and receivables, commitments and contingencies

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rs.000</td>
<td>Rs.000</td>
<td>Rs.000</td>
<td>Rs.000</td>
</tr>
<tr>
<td><strong>Stage-wise Impairment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross loans and advances, commitments and contingencies</td>
<td>1,535,255,925</td>
<td>1,534,966,858</td>
<td>1,550,507,750</td>
<td>1,557,929,334</td>
</tr>
<tr>
<td>Less: Accumulated impairment under stage 1</td>
<td>5,203,574</td>
<td>4,108,230</td>
<td>5,881,630</td>
<td>4,784,975</td>
</tr>
<tr>
<td>Accumulated impairment under stage 2</td>
<td>3,653,788</td>
<td>3,944,918</td>
<td>3,982,163</td>
<td>4,171,125</td>
</tr>
<tr>
<td>Net value of loans and advances, commitments and contingencies</td>
<td>1,497,710,915</td>
<td>1,510,987,129</td>
<td>1,520,817,134</td>
<td>1,532,201,312</td>
</tr>
</tbody>
</table>
### 3) Movements in Stage-wise Impairment during the period

<table>
<thead>
<tr>
<th></th>
<th>Stage 1</th>
<th>Stage 2</th>
<th>Stage 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rs.000</td>
<td>Rs.000</td>
<td>Rs.000</td>
<td>Rs.000</td>
</tr>
<tr>
<td>Opening balance as at 1st January 2018</td>
<td>3,228,383</td>
<td>2,546,157</td>
<td>9,388,096</td>
<td>15,165,436</td>
</tr>
<tr>
<td>Net impairment charge for the year</td>
<td>583,340</td>
<td>(558,099)</td>
<td>1,277,500</td>
<td>1,302,741</td>
</tr>
<tr>
<td>Interest accrued on impaired loans and receivables</td>
<td>-</td>
<td>-</td>
<td>(23,500)</td>
<td>(23,500)</td>
</tr>
<tr>
<td>Write-offs during the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other movements</td>
<td>-</td>
<td>-</td>
<td>52,084</td>
<td>52,084</td>
</tr>
<tr>
<td>Closing balance as at 31st March 2018</td>
<td>3,811,723</td>
<td>1,990,058</td>
<td>10,694,980</td>
<td>16,496,761</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Stage 1</th>
<th>Stage 2</th>
<th>Stage 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rs.000</td>
<td>Rs.000</td>
<td>Rs.000</td>
<td>Rs.000</td>
</tr>
<tr>
<td>Net impairment charge for the year</td>
<td>1,095,344</td>
<td>(291,130)</td>
<td>3,074,170</td>
<td>3,878,384</td>
</tr>
<tr>
<td>Interest accrued on impaired loans and receivables</td>
<td>-</td>
<td>-</td>
<td>(101,019)</td>
<td>(101,019)</td>
</tr>
<tr>
<td>Write-offs during the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other movements</td>
<td>-</td>
<td>-</td>
<td>(152,084)</td>
<td>(152,084)</td>
</tr>
<tr>
<td>Closing balance as at 31st March 2019</td>
<td>5,203,574</td>
<td>3,653,788</td>
<td>18,687,648</td>
<td>27,545,010</td>
</tr>
</tbody>
</table>

### ANALYSIS OF DEPOSITS

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Audited)</td>
<td>(Audited)</td>
<td>(Audited)</td>
<td>(Audited)</td>
</tr>
<tr>
<td>Rs.000</td>
<td>Rs.000</td>
<td>Rs.000</td>
<td>Rs.000</td>
<td>Rs.000</td>
</tr>
<tr>
<td><strong>Due to Customers - By product</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>By product Domestic Currency</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current account deposits</td>
<td>39,930,040</td>
<td>39,706,969</td>
<td>39,186,563</td>
<td>39,220,539</td>
</tr>
<tr>
<td>Savings deposits</td>
<td>191,126,492</td>
<td>187,874,484</td>
<td>195,358,644</td>
<td>190,175,309</td>
</tr>
<tr>
<td>Time deposits</td>
<td>411,074,837</td>
<td>408,457,298</td>
<td>430,039,645</td>
<td>424,883,991</td>
</tr>
<tr>
<td>Certificates of deposit</td>
<td>383,009</td>
<td>407,482</td>
<td>383,009</td>
<td>407,482</td>
</tr>
<tr>
<td>Margin deposits</td>
<td>2,280,961</td>
<td>4,034,869</td>
<td>2,280,961</td>
<td>4,034,869</td>
</tr>
<tr>
<td><strong>Sub total</strong></td>
<td>646,795,339</td>
<td>640,481,102</td>
<td>667,248,822</td>
<td>658,722,190</td>
</tr>
<tr>
<td>By product Foreign Currency</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current account deposits</td>
<td>6,047,018</td>
<td>5,234,158</td>
<td>6,047,018</td>
<td>5,234,158</td>
</tr>
<tr>
<td>Savings deposits</td>
<td>40,525,056</td>
<td>43,766,109</td>
<td>40,525,056</td>
<td>43,766,109</td>
</tr>
<tr>
<td>Time deposits</td>
<td>106,125,704</td>
<td>110,132,027</td>
<td>106,017,143</td>
<td>109,984,861</td>
</tr>
<tr>
<td>Margin deposits</td>
<td>173,683</td>
<td>361,961</td>
<td>173,683</td>
<td>361,961</td>
</tr>
<tr>
<td><strong>Sub total</strong></td>
<td>152,871,461</td>
<td>159,494,255</td>
<td>152,762,900</td>
<td>159,319,772</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>799,666,800</td>
<td>799,975,357</td>
<td>820,011,722</td>
<td>818,041,962</td>
</tr>
</tbody>
</table>