

FINANCIAL STATEMENTS AS AT 30TH SEPTEMBER 2016.
 PUBLISHED IN TERMS OF FINANCE COMPANIES GUIDELINE NO 2 OF 2006 OF CENTRAL BANK OF SRI LANKA
 (PUBLICATIONS OF ANNUAL FINANCIAL STATEMENTS).

INCOME STATEMENT

In Rupees Thousand ('000)	Current Period From 1st April 2016 To 30th September 2016	Previous Period From 1st April 2015 To 30th September 2015
Interest Income	2,360,081.14	1,809,642
Interest Expenses	(653,096.24)	(467,290)
Net Interest Income	1,706,984.91	1,342,351
Fee and Commission Income	283,424.86	231,492
Net Interest, Fee and Commission Income	1,990,409.76	1,573,843
Other Operating Income	134,339.83	41,935
Total Operating Income	2,124,749.59	1,615,778
Impairment gain / (loss) on Loans and Receivables	(79,652.06)	(45,225)
Net Operating Income	2,045,097.53	1,570,553
Less: Operating Expenses		
Personnel Cost	443,278.44	321,833
Depreciation	64,408.44	38,218
Directors' Emoluments	5,690.00	4,050
Establishment Expenses	416,008.70	299,374
Other Expenses	27,023.56	46,975
Finance Expenses	8,490.28	7,118
Operating Profit before Value Added Tax (VAT)	1,080,198.12	852,985
VAT on Financial Services	(175,681.85)	(141,923)
Operating Profit after Value Added Tax (VAT)	904,516.26	711,062
Income Tax	(230,533.04)	(186,978)
Profit for the period	673,983.22	524,084
Basic earnings per ordinary share	0.39	0.30

STATEMENT OF FINANCIAL POSITION

Rupees Thousand ('000)	As at 30th September 2016	As at 30th September 2015
Assets		
Cash and Cash Equivalents	301,467	363,483
Loans and Advance to Members	11,414,938	7,547,024
Loans and Advances to Others	521,714	399,502
Financial Investments - Available - For- Sale	12,430	234
Financial Investments - Held - To- Maturity	1,810,482	1,644,396
Other Receivables	83,746	70,970
Other Assets and Prepayments	216,303	214,688
Investment Properties	904,500	890,500
Intangible Assets	111,982	10,494
Property Plant and Equipment	969,358	879,037
Deferred Tax Asset	-	5,979
Total Assets	16,346,921	12,026,308
Liabilities		
Due to Customers	11,818,586	8,677,900
Debt issued and other borrowed funds	890,806	921,153
Tax Payable	195,990	279,945
Other Liabilities	373,966	216,071
Retiring Benefit Obligation	150,064	134,530
Differed Tax Liability	40,656	-
Total Liabilities	13,470,069	10,229,598
Shareholders Funds		
Stated Capital	223,545	223,545
General Reserve	82,898	82,898
Statutory Reserve Fund	426,753	204,734
Revaluation Reserve	262,314	262,314
Retained Earnings	1,881,342	1,023,218
	2,876,852	1,796,710
Total Liabilities and Shreholders Fund	16,346,921	12,026,308

SELECTED PERFORMANCE INDICATORS

	30th September 2016	30th September 2015
Regulatory Capital Adequacy		
Core Capital (Tier 1 Capital) (Rs '000)	2,029,728	1,010,311
Total Capital Base (Rs '000)	2,182,798	1,183,381
Core Capital Adequacy Ratio as % of Risk Weighted Assets (Minimum Requirement 5%)	14.48	10.24
Total Capital Adequacy Ratio as % of Risk Weighted Assets (Minimum Requirement 10%)	15.58	11.99
Capital Funds to Deposit Liabilities Ratio %	21.15	21.02
Regulatory Liquidity		
Required minimum amount of Liquid Assets (Rs '000)	1,295,035	943,016
Available amount of Liquid Assets (Rs '000)	1,951,465	1,823,859
Required Minimum Amount of Government Approved Securities(Rs'000)	780,146	518,823
Available minimum amount of Government Approved Securities	1,513,787	1,387,606
Quality of Loan Portfolio		
Gross Non Performing Accommodations (Rs '000)	134,029	65,873
Gross Non Performing Accommodations Ratio %	1.12	0.83
Net Non Performing Accommodations Ratio %	-	-
Profitability		
Return on Assets (%)	8.71	9.48
Return on Equity (%)	51.17	68.3
Memorandum Information		
Number of Employees	1,485	1,210
Number of Branches	48	48
Number of Service Centres	21	11

CERTIFICATION

We, the undersigned, being the Managing Director/Chief Executive Officer and the Chief operating Officer of HNB Grameen Finance Limited certify jointly that:

- The above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka.
- The information contained in these statements have been extracted from the unaudited financial statements of the HNB Grameen Finance Limited.

 Chief Executive Officer - B M D C Prabhath
 20.10.2015

 Chief operating Officer - W S P Arangala
 20.10.2016