

Building Prosperity

WE HAVE BEEN INSTRUMENTAL IN CREATING PLACES IN WHICH THE BEST MEMORIES ARE MADE. WHAT WE DO IS NOT MERELY CONSTRAINED BY FOUR WALLS AND A ROOF. RATHER WE HELP BUILD THE SUCCESS, LIVING STANDARDS AND THE HEALTH AND SATISFACTION OF ALL WHO ASPIRE TO RESIDE IN A SPACE THEY CAN TRULY CALL THEIR OWN. A PLACE TO START A NEW, RAISE A FAMILY AND CREATE THE RECOLLECTIONS OF A LIFETIME. HDFC - BUILDING THE PROSPERITY OF A NATION.

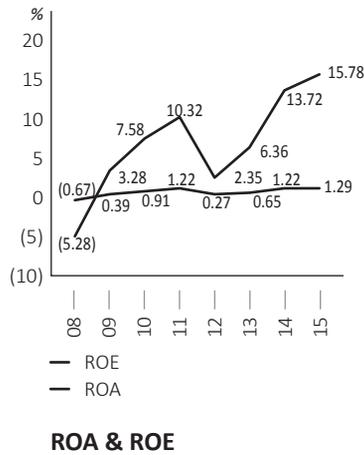
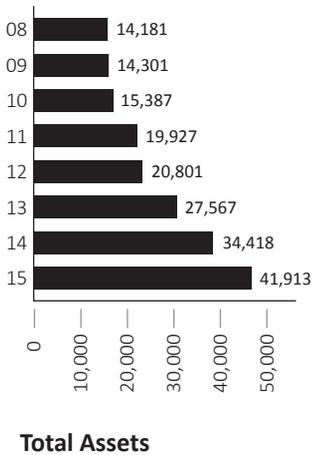
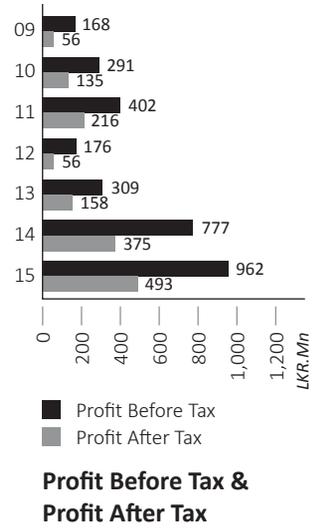
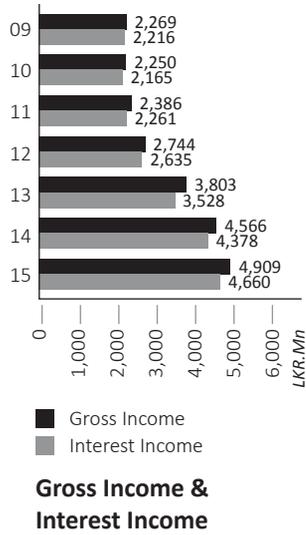
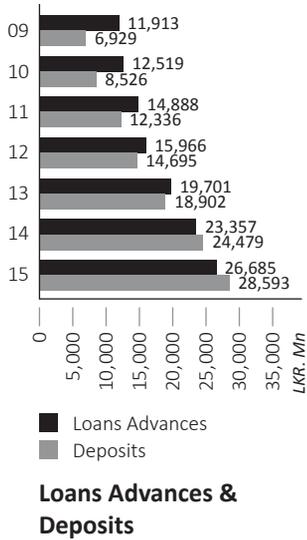


HDFC | ANNUAL REPORT 2015

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FINANCIAL HIGHLIGHTS

	2015 LKR.Mn	2014 LKR.Mn	Change %
Results for the year			
Income	4,909	4,566	8
Profit before Taxation	962	777	24
Provision for Taxation	469	402	17
Profit after Taxation	493	375	32
Revenue to the Governments	512	438	17
At the year end			
Shareholders, Fund	3,364	2,886	17
Deposits from Customers	28,593	24,479	17
Gross Loans & Advance to Customers	27,316	23,899	14
Total Assets	41,913	34,418	22
Information per ordinary share			
Earnings (Basic) (Rs.)	7.62	5.79	32
Financial ratios			
Return on Average shareholders' Fund (%)	15.78	13.72	15
Return on Average Assets (%)	1.29	1.21	7
Share Holders Equity to Total Assets (%)	8.03	8.38	(4)
Statutory ratios			
Liquid Assets (%)	35.03	28.90	21
Capital Adequacy -			
Tier I (%) - Minimum Required 5 %	13.67%	13.78%	(1)
Tier II (%) - Minimum Required 10 %	12.18%	12.92%	(6)
Other information			
Branches	38	36	6
Employees (No of Staff)	561	477	18
Credit Rating - Fitch/Lanka Rating	BBB(lka) Stable	BBB+ Stable	





MESSAGE FROM THE CHAIRMAN

As we end a very good year for HDFC Bank in 2015, I believe our focus should be the future. Sri Lanka's financial landscape is becoming increasingly competitive with banks and finance companies providing similar products and services, in an environment of rising interest rates.

In this scenario, how does a specialised housing bank like HDFC, with a limited product portfolio, gain a competitive advantage? With many other financial institutions supplying housing finance, how does HDFC continue to remain relevant and useful to the people of this country? This is the biggest question facing the Board of HDFC and myself, as its Chairman.

Prior to 2013, HDFC's business model was almost entirely housing finance based. This, made the Bank vulnerable to downturn in the country's economy from time to time. In 2011, following amendments to the HDFC Act during my predecessor's period permitting the Bank to carry on such forms of business specified in schedule 1V of the Banking Act No 30 of 1980, the HDFC Bank began diversifying the product portfolio beyond housing finance. During the current financial year of 2015, we consolidated this process. This contributed significantly towards improving the Bank's competitiveness. However, under a specialized banking license, HDFC's business scope still remains limited, since we cannot expand our products into commercial banking.

Opportunities for growth

However, the HDFC brand has a special market appeal. Currently Our main market segments are in the mid to lower income categories ranging from daily wage earners in the informal market,

WITH OUR GROWTH PLANS, I BELIEVE HDFC BANK CAN REMAIN A STRONG AND RELEVANT PLAYER IN THE SRI LANKAN FINANCIAL LANDSCAPE. HOWEVER, OUR CONTRIBUTIONS TO THE COUNTRY COULD IMPROVE SIGNIFICANTLY IF A COHESIVE NATIONAL HOUSING POLICY WERE DEVELOPED IDENTIFYING THE CONTRIBUTIONS THAT CAN BE MADE BY DIFFERENT HOUSING AGENCIES IN THE COUNTRY. SUCH A POLICY FRAMEWORK WOULD ALLOW THE COUNTRY TO HARNESS THE SPECTRUM OF SPECIALISATIONS OF DIFFERENT STATE AGENCIES FOR MORE EFFICIENT HOUSING DEVELOPMENT AND URBANISATION. HDFC CAN CONTRIBUTE THROUGH ITS TRIED AND TESTED MODEL FOR AFFORDABLE HOUSING.

to mid to high income professionals. The natakams of the Pettah market, who are ignored by all other banks have built strong relationships with HDFC's Palm Top Bankers, as have practicing lawyers and other professionals who do not have time to waste in bank queues. Therefore, I believe our best strategy is to provide customized products to niche customer groups. We can do this efficiently by using our Palmtop Bankers as the primary delivery channel.

The available housing related statistics also indicate a large unmet need in the area of housing upgrades. Large numbers of both urban and rural housing units in the country are structurally unsafe and do not provide adequate security, sanitation and privacy. I believe HDFC is perfectly positioned to support the country in this context. We are able to provide small, customised housing credit facilities, for this large but almost invisible segment of our society. We are now able to support them with other financial products such as leasing, pawning and small business loans that will develop livelihoods and incomes of these families. Again, I believe the Bank's palmtop mobile units, supported by the HDFC branches, will play a key role in capturing this opportunity.

Addressing the risks

Our revenues in 2014 was 96% housing finance based. By the end of 2015, the Bank's core business had shifted to 89% in housing finance and the balance 11% was shared amongst Micro finance, leasing and other SME development projects. We hope to continue this process until we achieve an ideal 70: 30 balance by end 2017. I believe this rebalancing of our revenues will address the inherent risk exposure faced by the Bank. At the same time, it will address government policy to increase SME lending up to 25% of bank lending portfolios, as stated by the Governor of the Central bank.

MESSAGE FROM THE CHAIRMAN CONTD.

In November 2015, we issued a listed debenture to the value of Rs 4 bn. This helped to increase the asset base substantially up to Rs 41 bn. However, we are still short of the Central Bank stipulation of Rs 5 bn. We plan to address the gap by 2017 through our capital augmentation plan. The Bank is studying the available options in this regard. I must tell you that, the debenture had the benefit of reducing the pressure on our balance sheet from the maturity mismatch between assets and liabilities.

In 2015, we also addressed the Bank's existing Core Banking system. The Bank undertook the task of greatly strengthening the existing core banking system to facilitate business lines and product development in order to provide better customer service. This modern core banking system will be operational by end August 2016. A modernized core banking system will help the Bank to advance its services to the public and protect the Bank from operational risks.

The ongoing changes and improvements have highlighted the Bank's human resource needs. In fact, at present we do not have information technology expertise within the HDFC Board. IT skills are limited to the management and staff. I hope to address this situation within 2016, by introducing IT expertise into the Board of Directors. We also plan to strengthen the asset and liability management of the Bank in an environment of fluctuating interests rates.

Another area of concern is the treasury management. During the 2016 financial year we are most likely to experience a significant erosion in profitability due to volatility in exchange rates. In the current environment of fluctuating interest and

exchange rates, HDFC needs to strengthen treasury management expertise.

We must also plan for the future in terms of our human capital. Our Palmtop Bankers have become a key channel of product delivery and marketing. They too need opportunities for growth. Therefore, I hope to develop a formal career development process and a succession pipeline for the entire Bank, using existing staff, including our regional talent pool and Palmtop Bankers.

I believe transparent career path would contribute towards better labour relations within the Bank. While I value the right to unionise, the staff must consider the HDFC Bank as a public asset. My mission is to stabilise such a culture in the Bank so that the Bank can grow from strength to strength for the benefit of its shareholders, the staff, its customers and the public at large.

The HDFC Board and the management have also discussed the Government proposal for a voluntary merger between HDFC and the State Mortgage and Investment Bank (SMIB). HDFC is prepared to support any progressive decision by the Government in this regard, keeping in mind the interests of employees of both banks and our shareholder interests.

Understanding our key stakeholder interests

Over the last few years, HDFC Bank's business model has changed from a purely housing finance entity to a housing and related financial services provider. I believe to drive growth in this direction, it is crucial that we - the Board and the key management should have a better

understanding of the HDFC's growing rural customer base.

In 2016, I hope to initiate an island wide public relations exercise for the HDFC key management and myself, to visit our regional bases. The primary objective is to interact one-on-one with communities and to identify how we can structure our products and services to best meet their needs. Available statistics state that as much as 38% of people in the country do not use banks, patronising money lenders instead. I believe they simply do not know how to articulate their needs in banking terms. The World Bank estimates that 40% of the population live on daily income of Rs 225. People in such situations do not have the excess cash for savings beyond their daily consumption. Therefore, I believe we must be proactive and reach out to people, instead of waiting passively for them to come to us.

A second objective is to strengthen the HDFC team by facilitating team spirit and direct interaction between personnel in Colombo and the regions. I believe our regional employees have a wealth of knowledge and understanding about their local communities and I believe taking their ideas on board, when developing our strategies and products, will facilitate faster growth.

Governance

I hope to review the Bank's corporate governance systems to strengthen overall governance and for better risk management in line with Central Bank directives. This will include re-evaluation of banking functions against a risk management basis, to mitigate risks at all levels of the structure. Already, several local and foreign training programmes

have started and will be extended to all staff of the Bank irrespective of their employment.

Way forward

With our growth plans, I believe HDFC Bank can remain a strong and relevant player in the Sri Lankan financial landscape. However, our contributions to the country could improve significantly if a cohesive National Housing Policy were developed identifying the contributions that can be made by different housing agencies in the country. Such a policy framework would allow the country to harness the spectrum of specialisations of different State agencies for more efficient housing development and urbanisation. HDFC can contribute through its tried and tested model for affordable housing.

Before, I conclude, I would like to thank our outgoing GM/CEO Mr Mamaduwa for his extensive contributions to the Bank over the past three years. Mr Mamaduwa was instrumental in driving the diversification process of the Bank from 2013 and in developing a range of new products to address wider responsibilities. I would also like to welcome our new GM/CEO. Mr Hettiarachchi. I believe his skills in economics, finance, banking and his active services at the Central Bank as Head of Regional Offices, will contribute significantly to HDFC's planned growth over the next few year. I also thank the Board, the management, and employees of the Bank for their contributions towards building this Bank into a national asset.

I would like to conclude with the thought that HDFC belongs to the people. It does not belong to the Board or the Chairman or the employee union. The Bank cannot

survive without the support of the people and the shareholders. HDFC Bank must be trustworthy, compliant, well governed and tech savvy. These will be our guiding principles as we go forward.

Sincerely



R. J. De Silva
Chairman

Colombo
24 May 2016



GENERAL MANAGER/CEO'S REVIEW

I am pleased to present my first review of HDFC Bank as its new General Manager/CEO. As I take over my new duties, I would like to express my gratitude to the HDFC Board and Central Bank for their confidence in me and for entrusting me with the task of one of the leading specialised banks dedicated towards financing housing needs of the country. I hope to channel my financial and banking knowledge to further strengthen HDFC, to consolidate the Bank's position as a diversified financial entity with the capacities and skills to meet the changing financial needs of the country.

Performance in 2015

HDFC was awarded a National Long-Term Rating of 'BBB(lka)' and a Stable Outlook by Fitch Ratings in 2015 and retained growth momentum from 2014, to end the year with a strong financial performance. This is despite a fairly unfavourable external environment of lower than anticipated credit demand, shifting exchange rates and upwards movement of interest rates. The Bank met its post tax profit target of Rs 493 Mn and the revenue target of Rs 4,909 Mn, supported by growth across the product portfolio. Loans and advances which are the main source of revenue of the bank were significantly boosted by the loan portfolio growth.

IN THE NEW FINANCIAL YEAR WE WILL FOCUS ON EXPANDING THE SHARE OF OUR NEW PRODUCTS BY CUSTOMISING AND CROSS SELLING COMPLEMENTARY PRODUCTS TO NEW AND EXISTING CUSTOMERS. THIS PROCESS WILL BE SUPPORTED BY EXPANDING THE REACH OF OUR PALMTOP BANKERS.



Total assets of the Bank increased by 22% year on year to Rs 41,913 Mn, mainly driven by growth in loans and advances. The Bank's lending portfolio increased by 14% year-on-year to reach Rs 27,316 Mn by end December 2015. Housing loans continued to accounted for the lion share of lending at 89% of total loans. The Bank has the authority to grant housing loans to members of the Employees Provident Fund (EPF) against their EPF balances. These EPF loans accounted for the major share of 35% of the housing loan portfolio. Please refer the chapters on 'Performance of Our Products' and 'Financial Capital Management' for more details on our performance in 2015.

I am happy to note that most of the new products introduced in 2013 gained momentum in 2015, indicating future growth potential for these products. I believe the impact of the Bank's increased promotional activities will be felt in the new financial year.

The Bank's funding base was significantly boosted by the Rs 4 Bn debenture issue, which in turn, fuelled loan growth towards the latter part of the year. However, public deposits in the form of savings and fixed deposits remained the most cost effective source of funding during the year.

Challenges

The Bank's NPL ratios continued to be present at gross NPLs at 20.77 % due to the main customer base of low and middle income segment. Much of this problem stems from the non-payments on EPF-backed housing loans. The Central Bank annually reimburses HDFC for EPF-backed loan installments that are in arrears for over three months. Nevertheless, the accounting gap between arrears and settlements accrue in the form of rather unsettlingly large NPL ratios.

GENERAL MANAGER/CEO'S REVIEW CONTD.

It is another challenge for the Bank to address the increasing trend of policy interest rates. Since the Bank promptly addressed this issue, I am confident that the Bank will be able to maintain the stability of the Bank.

The debenture Issue 2015 have addressed the maturity mismatch of the bank to a larger extent. On a more positive note, the debenture funds supported largely for more stable growth in the balance sheet in 2015.

We have met our first interim target of an Rs 3 Bn capital injection out of the Rs 5 Bn statutory minimum. The Central Bank has extended time until 2017, to bridge the gap. Capital augmentation plan is in process.

Building capacity

As the Bank targets growth through diversification, it is essential to expand internal capacities in terms of systems and skills to accommodate and facilitate this growth. During the current financial year we made progress in this regard by investing in a new core banking system and in developing our human resource base.

The Bank is in the process of migrating into a new core banking system to facilitate with the desired growth targets of the bank. With this initiative, the bank will have the capacity to introduce more technology based products. In 2015, much of the software development and hardware acquisition for a new core banking system for HDFC was completed and we hope to see the new system in commercial operations by August 2016. The Bank has allocated around Rs 200 Mn for this technology advancement that lead to a far superior ICT system compared to the existing one. The system will also act as a Management Information System and will provide more accurate and faster information flows for decision making, better monitoring of all activities at head office and in branches, faster response time and flexibility, and of course many improvements to products and service standards.

As part of the technology enhancement, the existing palmtop technology was upgraded by adopting the Android platform.

This technology advancement is accompanied by human resource capacity development for the Bank to harness its benefits. While the Bank's long serving employee base and its

in-house knowledge of the housing market is a definite strength, I believe they can be enhanced through exposure to modern banking operations. We have already commenced a training needs identification and the HR division is also identifying suitable training centres both locally and in overseas to support this change.

We opened two new bank branches in 2015 and focused on improving the existing branches. Further, the bank will penetrate into the regions with its mobile banking units.

Future plans

In the new financial year we will focus on expanding the share of our new products by customising and cross selling complementary products to new and existing customers. This process will be supported by expanding the reach of our Palmtop Bankers. We will also focus on containing and reducing the NPL ratio to control the credit risk of the Bank. In line with the proposed new ICT system, that will facilitate a more flexible reporting structure, we are considering reorganising the organisation structure of the Bank, with a special focus on the three areas of regulatory compliance, risk management, and business development, marketing and human resource management.

Appreciations

I would like to extend my appreciations to the previous GM/CEO Mr Mamaduwa for directing the Bank through its crucial years of change and I would like to acknowledge the excellent performance of the management and staff in ensuring the success of the Bank. I would like to extend my thanks to the Minister of Public Enterprise Development, Governor and the Bank Supervision Department of the Central Bank for their support. I extend a warm thank you to all our stakeholders and would like to assure them of our best services in the new financial year.

Sincerely



Upali Hettiarachchi
General Manager / CEO

Colombo
24 May 2016

I AM HAPPY TO NOTE THAT MOST OF THE NEW PRODUCTS INTRODUCED IN 2013 GAINED MOMENTUM IN 2015, INDICATING FUTURE GROWTH POTENTIAL FOR THESE PRODUCTS. I BELIEVE THE IMPACT OF THE BANK'S INCREASED PROMOTIONAL ACTIVITIES WILL BE FELT IN THE NEW FINANCIAL YEAR.



THE REPORT OF THE DIRECTORS

01. GENERAL

The HDFC Bank is a public quoted licensed specialized bank, incorporated in Sri Lanka by the Housing Development Finance Corporation Act No. 07 of 1997(amended by Act Nos.15 of 2003 and 45 of 2011).

INTEGRITY OF THIS REPORT

The Board of Directors of HDFC Bank has pleasure in presenting its Annual Report to the shareholders for the financial year ended 31st December 2015, together with the audited financial statements of the Bank, and the Auditor's Report on those financial statements, conforming to the requirements of the Companies Act No 7 of 2007 and the Banking Act No 30 of 1988. The financial statements were reviewed and approved by the Board of Directors on 16th May 2015. This Report includes the information as required by the Companies Act No 7 of 2007, Banking Act Directions and subsequent amendments thereto) and Listing Rules of the Colombo Stock Exchange (CSE).

Completion and the contents of this report are in accordance with the statutory requirements, and the requirements of relevant regulatory authorities for listed companies in the financial services industry and best accounting practices, which have been brought to the attention of the Shareholders and other Stakeholders. The Board of Directors has disclosed information of the Bank which they believe is material and in the best interest of the Shareholders and the Bank.

02. PRINCIPAL ACTIVITIES

The principal activities of the Bank are financing for housing and housing development projects. In addition to the principle business of Housing Finance, during the year the Bank engaged in general banking business approved for licensed specialised banks, namely

mortgage financing, lease and hire purchase financing, pawn broking, mobile banking, micro financing, etc. There were no significant changes in the nature of the principal activities of the Bank during the financial year under review. Please refer the chapter titled 'Performance of Our Products' for more information on the Bank's activities during the year.

03. REVIEW OF BUSINESS

An overall assessment of the financial position, performance, state of affairs and significant events that took place in the Bank during the corresponding period is given in the Chairman's Message, the General Manager and Chief Executive Officer's Review. These Reports form an integral part of the Directors' Report.

A review of the operations of the Bank during the financial year 2015 and results of its operations are contained in the chapters under the section titled Management Discussion and Analysis. These reports form an integral part of the Annual Report of the Board of Directors

04. VISION, MISSION AND CORPORATE CONDUCT

The Bank's Vision and Mission statements are given on page 3 of the report. The business activities of the Bank are conducted in keeping with the highest level of ethical standards in achieving its Vision and Mission. The Bank pursues good governance and maintains high standards in financial and operational activities

05. FUTURE DEVELOPMENTS

The future strategies of the Bank will be aligned with its Act of Incorporation (and

amendments), and are explained by the Chairman in the Chairman's Message and GM/CEO's review.

06. FINANCIAL STATEMENTS

The financial statements of the Bank has been prepared in accordance with Sri Lanka Accounting Standards laid down by the Institute of Chartered Accountants of Sri Lanka and they comply with the requirements of Companies Act No 7 of 2007 and Banking Act No 30 of 1988. The financial statements of the Bank for the year ended 31st December 2015, which form an integral part of the Annual Report of the Board of Directors.

07. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in preparation of Financial Statements during the year in the Annual Report. The impact of changes in equity is given in the Annual Report.

08. AUDITORS' REPORT

The Auditor General of Sri Lanka, who is the auditor of HDFC Bank, performed the audit on the Financial Statement of HDFC Bank for the respective financial year and the relevant Auditors Report is contained in the Annual Report.

09. GOING CONCERN

The Board of Directors have reviewed and satisfied that the HDFC Bank has adequate resources to continue its operations in the foreseeable future. Therefore, we continue to adopt the going concern basis in preparing the Financial Statements in compliance with Sri Lanka Accounting Standards.

10. INCOME

The income of the Bank for the year ended 31st December 2015 was LKR. 4,909 million. An analysis of the income is given in Notes to the Financial Statements.

11. PROFIT AND APPROPRIATION

The profit before income tax of the Bank for the year ended 31st December 2015 was LKR. 787 million and the profit after tax for the year ended 31st December 2015 was LKR. 493 million.

For the year ended 31st December 2015	2015	2014
	Rs. Mn	Rs. Mn
VAT on financial services	175	142
Provision for taxation	294	260
Profit on ordinary activities after tax	493	375
Retained profit /(accumulated losses) b/f	1,551	1,296
Profit available for appropriation	2,096	1,671
Appropriation First & Final Dividend proposed	49	39
Transfer to Reserve Funds	74	56
Retained Profit carried forward	2,097	1,551

12. RESERVES

The Bank's total Reserves as at 31st December 2015, amounted to LKR 2,402 million. The details are given on the statement on Changes in Equity in the Financial Statements.

13. DONATIONS

There were no donations during the period under review.

14. STATUTORY PAYMENTS

The Directors, to the best of their knowledge and belief, are satisfied that all statutory payments in relation to the Government and the employees have been made up to date.

15. PROVISION FOR TAXATION

Income tax for 2015 has been provided at 28% on the taxable income arising from the operations of the Bank and has been disclosed in Note 10 to the Financial Statements in this Annual Report.

16. DIVIDEND

The Directors recommended a full and final dividend payment of Cents Seventy Five (75 cents) per share for the year 2015. Subject to satisfaction of solvency test and shareholder approval at the Annual General Meeting of the HDFC Bank.

The Board was satisfied that the Bank would meet the solvency test as per the provisions of the Companies Act No. 07 of 2007, immediately after the payment of the proposed final dividend with the approval of the shareholders at the AGM. The Board provided the statement of solvency to the Auditor General and obtained the certificate of solvency, in respect of final dividend payment confirming to the statutory provision.

17. PROPERTY, PLANT AND EQUIPMENT, FREEHOLD PROPERTY

Capital expenditure on property, plant and equipment amounts to LKR 216 million, the details of which are given in the Financial Statements.

Details of freehold properties are given on Note 18 of the Financial Statements.

18. MARKET VALUE OF FREEHOLD PROPERTIES

Details of the market value of freehold properties are given on Note 18.2 & 18.3 of the Financial Statements.

19. EVENTS AFTER THE DATE OF THE STATEMENT OF FINANCIAL POSITION

There have been no material events occurring after the date of the statement of financial position that would require adjustments or disclosure in the financial statements.

20. STATED CAPITAL

The stated capital of the Bank as at 31st of December 2015 was LKR 962 million consisting of 64,710,520 ordinary shares.

THE REPORT OF THE DIRECTORS CONTD.

21. SHARE INFORMATION

Details of share related information (earnings, dividends, net assets and market value per share) are given on pages 155 to 157 of this Annual Report.

22. DEBENTURES

The Bank had issued listed secured redeemable debentures face value amounting to LKR 2000 Million in year 2013 and the details of debentures outstanding as at the date of statement of financial position are given in Note 24 of the Financial Statements.

Further HDFC had issued listed unsecured redeemable debentures face value amounting to LKR 4000 Million in year 2015 and the details of debentures outstanding as at the date of statement of financial position are given in Note 24 of the Financial Statements. The Bank had listed these debentures on the main board of Colombo Stock Exchange (CSE).

23. EQUITABLE TREATMENT TO ALL STAKEHOLDERS

All shareholders have been treated equitably in accordance with the original terms issued to them.

24. THE BOARD OF DIRECTORS

Please refer chapter on Board of Directors for full list of Directors and their qualifications and experience.

Resignations from the Bard of HDFC Bank during the period under review

01. Mr. D. H. U. J. Kurukularathne - with effect form 06/06/2015
02. Mr. Herath Yapa - with effect form 18/09/2015
03. Mr. L. E. Susantha Silva - with effect form 31/05/2015
04. Mrs. S. N. Wickramasinghe (Former Chairman) - with effect form 21/01/2015
05. Mr. S. A. J. Samaraweera - with effect form 21/01/2015
06. Mr. W. D. R. D. Goonarathne - with effect form 21/01/2015
07. Mrs. M. F. K. Nissa - with effect form 21/01/2015
08. Mr. W. J. L. U. Wijayaweera - with effect form 21/01/2015
09. Mrs. B. G. S. Gunathilake - with effect form 21/01/2015

Appointments to the Bard of HDFC Bank during the period under review

01. Mr. R. J. De Silva (Present Chairman) - with effect form 11/02/2015
02. Mrs. B. G. S. Gunathilake - with effect form 20/02/2015
03. Mr. R. M. J. Rasnayake - with effect form 02/03/2015
04. Mr. R. H. Meewakkala - with effect form 03/06/2015
05. Mr. L. S. Palansuriya - with effect form 26/06/2015
06. Mr. P. S. Punchihewa - with effect form 26/06/2015
07. Mr. S. M. G. Jayarathne - with effect form 17/06/2016

25. BOARD SUB COMMITTEES

The Board while assuming the overall responsibility and accountability for the management & oversight of the Bank, appointed Board Sub-Committees for different areas as required by the Board under the Corporate Governance Directives of the Central Bank of Sri Lanka, Institute of Chartered Accountants, Colombo Stock Exchange.

The duties, responsibilities and performance of the above sub-committees are given on in the Annual Report.

26. DIRECTORS MEETINGS

Please refer the section on Board and Board Sub Committee attendance at meetings.

27. DIRECTOR' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors are responsible for the preparation of financial statements of the Bank in such manner to reflect a true and fair view of the state of affairs of the HDFC Bank. The statement of Directors' responsibility for Financial Reporting forms an integral part of the Annual Report of the Board of Directors.

28. ENTRIES IN THE INTEREST REGISTER

The Bank maintains the Directors' Interest Register as required under the provisions of the Companies Act No 7 of 2007. Directors of the Bank made necessary declarations of their interest and have been recorded in the Interest Register.

The Directors have no direct or indirect interest in a contract or a proposed contract with the Bank other than those disclosed. Directors did not participated at the discussions or in the approving process or voted on matters or contracts in which they were interested.

29. DIRECTORS' INTEREST IN SHAREHOLDING

Directors' shareholdings are as follows:

	31/12/2015	01/01/2015
Mr. R.J.De Silva (Chairman)	Nil	Nil
Mr. M. Surendran	1000	Nil
Mr. Prasad Galhena	1000	1000
Mrs. B.G.S. Gunathilake	Nil	Nil
Mr. R.M.J. Rasnayake	Nil	Nil
Mr. R.H. Meewakkala	Nil	Nil
Mr. L.S. Palansuriya	Nil	Nil
Mr. P.S. Punchihewa	Nil	Nil

30. DIRECTORS' INTERESTS IN CONTRACTS AND PROPOSED CONTRACTS

Directors had no direct or indirect interest in any contract or proposed contract entered by the HDFC Bank during the year ended 31st December 2015. Further information is given in this Annual Report.

The Directors disclosed their interest (if any) to ensure that they would refrain from voting on issues they have an interest.

31. DIRECTORS' INTERESTS IN DEBENTURES

Individual debenture holding of Directors were as follows:

As at December 31,	2015	
	No. of Debentures	Value (Rs.)
1. Mr. R.J.De Silva (Chairman)	Nil	Nil
2. Mr. M. Surendran	Nil	Nil
3. Mr. Prasad Galhena	Nil	Nil
4. Mrs. B.G.S. Gunathilake	Nil	Nil
5. Mr. R.M.J. Rasnayake	Nil	Nil
6. Mr. R.H. Meewakkala	Nil	Nil
7. Mr. L.S. Palansuriya	Nil	Nil
8. Mr. P.S. Punchihewa	Nil	Nil
Total	Nil	Nil

32. RELATED PARTY TRANSACTIONS

The Directors have also disclosed transactions if any, that could be classified as Related Party transactions in terms of LKAS 24 "Related Party Disclosures" which is adopted in the preparation of the financial statements. Those transactions disclosed by the Directors are given in Note 33 to the financial statements forming part of the Annual Report of the Board of Directors.

33. DIRECTORS' REMUNERATION

Directors' remuneration, for the financial year ended 31st December 2015 is given on Note 8 to the financial statements.

34. ENVIRONMENTAL PROTECTION

To the best of knowledge of the Board, the Bank has complied with the relevant environmental laws and regulations. The Bank has not engaged in any activity that is harmful or hazardous to the environment.

35. RISK MANAGEMENT AND SYSTEM OF INTERNAL CONTROLS

The risk Management of the Bank is an ongoing process which identify, evaluate and manage the risks that the Bank exposed, in its banking operations. This process is detailed in the Risk Management Report.

The Directors on a regular basis review the above mentioned process through the Board Integrated Risk Management Committee.

THE REPORT OF THE DIRECTORS CONTD.

The Board Audit Committee reviews the internal control process of the Bank on a regular basis. Both committees forward necessary recommendations directly to the Board to ensure that the Bank has a comprehensive Internal Control and Risk control Framework, in place for smooth functioning of its operations

Please refer chapter on Risk management and also the Board Audit Committee Report.

36. CORPORATE GOVERNANCE

Please refer statement from Chairman on Corporate Governance. A separate report on Corporate Governance is given as required by Corporate Governance (Compliance Review) Directions for Licensed specialized Banks, issued by the Central Bank of Sri Lanka along with the findings of the "Factual Findings Reports" of auditors issued under Sri Lanka Standard on Related Services 4,400 (SLSRS).

37. COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

The Bank has at all times ensured that it complied with the applicable laws and regulations including the Listing Rules of the CSE as a listed company. Compliance Officer who reports to Board Integrated Risk Management Committee, tables a report on compliance at the quarterly meetings of the Integrated Risk Management Committee.

Also the Board of Directors has continuously communicated with relevant regulatory and supervisory bodies, and has taken decisions in accordance with prevailing rules and regulations of the country. To the best of the knowledge of the Directors, there has been no direct or indirect violation of laws or regulations in any jurisdiction which the Bank is bound to disclose nor has there been any irregularities involving management of employees that could have been a material financial impact on the Bank.

38. APPOINTMENT OF AUDITORS

The Auditor General continues to be the Auditor of the bank as stipulated in the HDFC Act No.07 of 1997.

39. AUDITORS REMUNERATION AND INTEREST IN CONTRACT WITH THE BANK

The Auditors were paid Rs. 685,200/- for the year ended 31st of December, 2015 as audit fees by the Bank. The Auditors do not have any other relationship or interest in contracts with the Bank.

40. AUDIT COMMITTEE

The composition of the Audit Committee and their report in this Annual Report.

41. NOTICE OF MEETING

The 31st Annual General Meeting of the Bank will be held on Thursday 30th June 2016 at 10.00 a. m. at Booker Recreation (pvt) Ltd. (Gardenia Hall), 1st Floor, No. 10, off Deans Road, Hedges court, Colombo - 10.

The Notice of the meeting is given on page 162 of the Annual Report.

Signed in accordance with a resolution of the Board of Directors



Mr. R. J. De Silva
Chairman



Mrs. K. T. D. D. De Silva
Company Secretary

AUDITOR'S REPORT



විගණකාධිපති දෙපාර්තමේන්තුව
கணக்காய்வாளர் தலைமை அறிப்பி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය } BAF/C/HDFCB/1/15/25
 எனது இல. }
 My No. }

ඔබේ අංකය }
 உமது இல. }
 Your No. }

දිනය } 20 May 2016
 திகதி }
 Date }

The Chairman
 Housing Development Finance Corporation Bank of Sri Lanka.

Report of the Auditor General on the Financial Statements of the Housing Development Finance Corporation Bank of Sri Lanka for the year ended 31 December 2015 in terms of Section 14(2)(c) of the Finance Act, No. 38 of 1971.

The audit of financial statements of the Housing Development Finance Corporation Bank of Sri Lanka for the year ended 31 December 2015 comprising the statement of financial position as at 31 December 2015 and the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, was carried out under my direction in pursuance of provisions in Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13 (1) of the Finance Act, No. 38 of 1971 and Section 26(2) of the Housing Development Finance Corporation Bank of Sri Lanka Act, No. 7 of 1997 as amended by Act, No.15 of 2003 and Act, No. 45 of 2011.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but

AUDITOR'S REPORT CONTD.



not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. Sub-sections (3) and (4) of Section 13 of the Finance Act, No. 38 of 1971 give discretionary powers to the Auditor General to determine the scope and extent of the audit.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements give a true and fair view of the financial position of the Housing Development Finance Corporation Bank of Sri Lanka as at 31 December 2015 and its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on Other Legal and Regulatory Requirements

These financial statements present the information required by the Banking Act, No. 30 of 1988 and subsequent amendments.

Report to Parliament

My report to parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course.

H.M. Gamini Wijesinghe
Auditor General.

INCOME STATEMENT

For the Year Ended 31st December 2015

Figures in LKR

	Notes	2015	Bank 2014
INCOME		4,909,069,496	4,566,125,682
Interest Income	1	4,660,182,745	4,377,844,809
Interest Expenses	2	(2,539,343,452)	(2,534,685,012)
Net Interest Income		2,120,839,292	1,843,159,796
Fee and Commission Income	3	253,108,354	211,424,163
Fee and Commission expenses		-	-
Net fee and commission Income		253,108,354	211,424,163
Net Trading income/(expense)		-	-
Net gain/(loss) from financial instruments designated at fair value through Profit or Loss	4	(16,263,402)	(9,871,302)
Net gain/(loss) from financial investments		-	-
Other operating income(net)	5	12,041,800	(13,271,987)
Total Operating Income		2,369,726,044	2,031,440,670
Less: Impairment Charges for Loans and Other Losses	6	89,230,366	131,139,965
Net Operating income		2,280,495,678	1,900,300,704
Less: Expenses			
Staff Costs	7	828,657,754	671,192,234
Amortization and impairment of intangible assets			
Other Expenses	8	489,856,209	452,031,165
Total Expenses		1,318,513,962	1,123,223,399
Operating Profit/(loss) before Value Added Tax (VAT)		961,981,716	777,077,306
Less : VAT On Financial Services	9	174,978,661	142,492,347
Operating Profit/(loss) after Value Added Tax (VAT)		787,003,055	634,584,959
Share of Profits of associates and joint ventures		-	-
Profit/(Loss) before tax		787,003,055	634,584,959
Less: Tax expenses	10	294,012,069	259,989,639
Profit/(Loss) for the year		492,990,986	374,595,320
Earnings Per Share on Profits			
Basic Earning per Share (Rs)	11	7.62	5.79
Diluted earnings per ordinary share		-	-

STATEMENT OF OTHER COMPREHENSIVE INCOME

For the Year Ended 31st December 2015

Figures in LKR

	Bank	
	2015	2014
Profit for the Year	492,990,986	374,595,320
Other Comprehensive income/(expenses)		
Changes in revaluation reserve of Property, Plant and equipment (If fair value option adopted)	-	-
Actuarial gains and losses on defined benefit plans	10,716,906	(20,015,666)
Gains and losses (arising from translating the financial statements of a foreign operation)	-	-
Gains and Losses on re-measuring available-for-sale financial assets	-	-
Gains and Losses on cash flow hedges Others	-	-
Other comprehensive income for the year, net of tax	10,716,906	(20,015,666)
Total Comprehensive Income for the Year	503,707,892	354,579,654
Attributable to :		
Shareholders	503,707,892	354,579,654
Non-Controlling Interest	-	-
Total	503,707,892	354,579,654

STATEMENT OF FINANCIAL POSITION

As at 31st December 2015

Figures in LKR

	Notes	2015	Bank 2014
Assets			
Cash and balances with central banks	12	145,099,998	123,224,003
Sri Lanka government securities	13	55,687,587	425,456,328
Balances with banks	14	63,070,732	164,301,732
Financial Assets Held for Trading	15	2,043,353,937	850,381,869
Loans and Receivables to other customers	16	26,684,610,922	23,356,508,363
Financial Investments - Held-to-Maturity	17	11,588,341,144	8,283,551,776
Property, Plant and equipment	18	434,893,118	295,889,942
Investment properties	19	786,350,000	777,648,500
Differed tax assets	20	-	8,889,129
Other assets	21	111,546,873	131,878,083
Total assets		41,912,954,310	34,417,729,726
Liabilities			
Due to banks and Other Institutes	22	3,031,112,418	4,225,673,914
Due to other customers	23	28,592,674,990	24,479,322,303
Debt securities issued	24	6,005,671,318	1,987,287,821
Current Tax liabilities	25	257,247,956	271,035,110
Deferred tax liabilities	20	18,310,267	-
Other liabilities	26	644,112,754	568,544,008
Total liabilities		38,549,129,704	31,531,863,156
Equity			
Stated capital	27	962,092,936	962,092,936
Statutory reserve fund	28	114,617,816	89,968,266
Retained earnings	29	1,965,362,943	1,571,195,098
Other reserves	30	321,750,911	262,610,270
Total shareholders' equity		3,363,824,606	2,885,866,571
Non-controlling interests		-	-
Total equity		3,363,824,606	2,885,866,571
Total equity and liabilities		41,912,954,310	34,417,729,726
Contingent Liabilities and Commitments	31	742,928,019	584,769,154
Book Value Per Share Rs		51.98	44.60

The significant accounting policies and notes on pages 130 to 154 form an integral part of these financial statements. These financial statements have been prepared in accordance with the Sri Lanka Accounting Standards (LKAS/SLFRS).



D. V. Pathirana
Chief Financial Officer



Upali Hettiarachchi
CEO/General Manager

The Board of Directors is responsible for the preparation and presentation of these Financial Statements which were approved by the Board of Directors and signed on their behalf,



R. J. De Silva
Chairman



R. H. Meewakkala
Director

16/05/2016
Colombo

STATEMENT OF CHANGES IN EQUITY

For The Year Ended 31-12-2015

Bank (000) Figures in LKR	Number of voting shares	Stated Capital	General Reserve	Revaluation reserve	Statutory Reserve Fund	Special Investment Reserve	Investment Fund	Retained earnings	Total	Non- controlling interest	Total equity
Balance as at 01-01-2014	64,710,520	962,093	68,878	33,264	71,239	3,451	140,449	1,295,848	2,575,222	-	2,575,222
Total comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-
Profit/(loss) for the year	-	-	-	-	-	-	-	374,595	374,595	-	374,595
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-46,897	-46,897	-	-46,897
Total comprehensive income for the year	-	-	-	-	-	-	-	327,698	327,698	-	327,698
Transactions with equity holders, recognized directly in equity	-	-	-	-	-	-	-	-	-	-	-
Share issue/increase of assigned capital	-	-	-	-	-	-	-	-	-	-	-
Bonus issue	-	-	-	-	-	-	-	-	-	-	-
Right issue	-	-	-	-	-	-	-	-	-	-	-
Transfers to reserves during the period	-	-	37,460	-	18,730	-	-	-56,189	-	-	-
Dividend paid	-	-	-	-	-	-	-	-16,178	-16,178	-	-16,178
Profit transferred to head office	-	-	-	-	-	-	-	-	-	-	-
Gain/(loss) on revaluation of property, plant and Equipment (if cost method is adopted)	-	-	-	-875	-	-	-	-	-875	-	-875
Others	-	-	-	-	-	-	-	-	-	-	-
Total transactions with equity holders	-	-	37,460	-875	18,730	-	-	-72,367	-17,053	-	-17,053
Balance as at 31-12-2014	64,710,520	962,093	106,337	32,388	89,969	3,451	140,449	1,551,179	2,885,867	-	2,885,867

Figures in LKR	Number of voting shares	Stated Capital	General Reserve	Revaluation reserve	Statutory Reserve Fund	Special Investment Reserve	Investment Fund	Retained earnings	Total	Non- controlling interest	Total equity
Balance as at 01-01-2015	64,710,520	962,093	106,337	32,388	89,969	3,451	140,449	1,551,179	2,885,867	-	2,885,867
Prior Year Adjustment	-	-	-	-	-	-	-	13,952	13,952	-	13,952
Total comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-
Profit/(loss) for the year	-	-	-	-	-	-	-	492,991	492,991	-	492,991
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	10,717	10,717	-	10,717
Total comprehensive income for the year	-	-	-	-	-	-	-	517,660	517,660	-	517,660
Transactions with equity holders, recognized directly in equity	-	-	-	-	-	-	-	-	-	-	-
Share issue/increase of assigned capital	-	-	-	-	-	-	-	-	-	-	-
Bonus issue	-	-	-	-	-	-	-	-	-	-	-
Right issue	-	-	-	-	-	-	-	-	-	-	-
Transfers to reserves during the period	-	-	49,299	-	24,650	-	-140,449	66,500	-	-	-
Dividend paid	-	-	-	-	-	-	-	-38,826	-38,826	-	-38,826
Profit transferred to head office	-	-	-	-	-	-	-	-	-	-	-
Gain/(loss) on revaluation of property, plant and Equipment (if cost method is adopted)	-	-	-	-875	-	-	-	-	-875	-	-875
Others	-	-	-	-	-	-	-	-	-	-	-
Total transactions with equity holders	-	-	49,299	-875	24,650	-	-140,449	27,674	-39,702	-	-39,702
Balance as at 31-12-2015	64,710,520	962,093	155,636	31,513	114,619	3,451	-	2,096,513	3,363,825	-	3,363,825

STATEMENT OF CASH FLOWS

For the Year Ended 31st December 2015

Figures in LKR

	Bank	
	2015	2014
Cash Flows From Operating Activities		
Interest Received	4,579,998,884	4,234,095,719
Interest payments	(2,506,970,442)	(2,385,694,895)
Receipt from other operating activities	244,523,942	277,096,872
Cash payments to employees & suppliers	(883,019,340)	(680,785,257)
Payments on other operating activities	(419,276,894)	(393,491,211)
Operating profit before changes in operating assets	1,015,256,150	1,051,221,228
(Increase)/Decrease In Operating Assets :		
Funds Recovered from customers	6,709,440,844	5,017,648,368
Funds advanced to customers	(10,089,546,808)	(8,693,617,023)
Other Assets	21,539,149	52,560,306
	(3,358,566,815)	(3,623,408,349)
Increase / (Decrease) In Operating Liabilities		
Deposits from customers	4,125,887,291	5,427,052,591
Others	40,285,609	(417,201,629)
	4,166,172,900	5,009,850,961
Net cash from operating activities before income tax	1,822,862,235	2,437,663,840
Income Tax & Deemed Dividend Tax Paid	(314,780,629)	(54,389,187)
Net cash from operating activities	1,508,081,606	2,383,274,653
Cash Flows From Investing Activities		
Dividends received	54,000	40,000
(Purchase)/Sale of Investment Securities	(4,113,558,346)	(3,240,522,472)
Purchase of property, plant and equipment	(202,158,051)	(85,556,848)
Disposal of property, Plant and equipment	-	5,609,850
Net cash from Investing activities	(4,315,662,397)	(3,320,429,469)
Cash Flows From Financing Activities		
Issue/(Redemption) of Shares	-	-
Redemption of Contribution towards Share Capital	-	-
Repayment of Borrowings	(2,093,723,558)	(1,008,163,848)
Proceeds from Borrowings	4,875,210,006	1,966,497,420
Dividends paid	(38,826,312)	(16,177,630)
Net cash from financing activities	2,742,660,136	942,155,943
Net increase in cash & cash Equivalents	(64,920,656)	5,001,126
Cash & cash equivalents at beginning of the period	273,091,386	268,090,261
Cash & cash equivalents at the end of the period	208,170,729	273,091,387
Reconciliation Of Cash and Cash Equivalents		
Cash In Hand	145,099,998	123,224,003
Cash at Bank	63,070,732	149,867,384
	208,170,729	273,091,387

ACCOUNTING POLICIES

1. Corporate Information

1.1 Reporting Entity

HDFC Bank of Sri Lanka has been incorporated in Sri Lanka as a Building Society in 1984 under section 11 of the National Housing Act of 1956. Subsequently converted to a corporation under the Housing Development Finance Corporation of Sri Lanka Act.No.7 Of 1997 and obtained the status of a specialized Bank under Housing Development Finance Corporation of Sri Lanka (Amendment) Act No 15 of 2003 and amended act No 45 of 2011 which authorized to apply the all activities of the schedule iv of Banking Act No 30 of 1988 with amendments thereafter. HDFC bank's Head office is located at NHDA Secretariat Colombo-02, Sri Lanka.

1.2 Principal Activities and Nature of Operations

The principal business activities of HDFC Bank during the year were granting loans and accepting deposits with other forms of financial assistance for development of the economy.

2 Basis of Preparation

2.1. The Statement of Compliance

The Statement of Financial position, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows are drawn up in conformity with the accounting standards laid down by the Institute of Chartered Accountants of Sri Lanka applied consistently on a historical cost basis and fair value accounting wherever it is necessary. The financial statements are presented in Sri Lanka Rupees.

Sri Lanka Accounting Standards which are introduced by the Institute of Chartered Accountants of Sri Lanka mandated for all specified business enterprises were used to prepare these financial statements. The comparative figures were also restated as per the above standards.

2.2 Functional and Preparation Currency

The financial statement of the Bank are presented in Sri Lankan Rupees Which is the currency of the primary economic environment in which the Bank operate. Financial information presented in Sri Lankan Rupees has been rounded to the nearest Rupee, except where otherwise indicated as permitted by the Sri Lanka Accounting Standard (LKAS) No -1 "Presentation of Financial Statements"

2.3 Format of Accounts and Prior year Figures

Financial statements are presented in accordance with the format of accounts prescribed by the Central Bank of Sri Lanka and the Accounting Policies adopted by the bank is consistent with those of the previous financial year as permitted by the Sri Lanka Accounting Standard (LKAS) No .01 "Presentation of Financial Statements" However, when the presentation or classification of items in the Financial Statements is amended, comparative amounts are also re-classified to conform with the current year in order to provide a better presentation.

3. Significant Accounting Judgements, Estimates and Assumptions

3.1 Going Concern

The management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern. Therefore, the Financial Statements continue to be prepared on the going concern basis.

3.2 Valuation of Assets

3.2.1 Loans and Advances to Customers

Loans and Advances to customers are stated in the Statement of Financial Position net of impairment for possible future loan losses.

3.2.1.1 Provision for Impairment Losses

Provision for possible impairment losses is made on the basis of a continuous review of all loans and advances to customers in accordance with the Sri Lanka Accounting Standard (LKAS) No. 39 on 'Financial Instruments : Recognition and measurement in the Financial Statements of the Banks. The following valuation techniques were used to calculate fair value of loans as it is necessary which are as follows

1. Collective Impairment Method
2. Individual Impairment Method.

3.2.1.1.1 Collective Impairment Provisions

Collective impairment provisions for possible loan losses are made in accordance with the Sri Lanka Financial Reporting Standard No. 39 on 'Financial Instruments : Recognition and measurement in the Financial Statements of the Bank. The Bank used to make the collective impairment provision at rolling rate method where the individual impairment is not material.

3.2.1.1.1.1 Mortgage & Guarantor Loans

The default rolling rate for a reasonable period is used for impairment adjustment and no provision is made for Zero defaulters.

3.2.1.1.1.2 Cash Margin Loans

No provisions made for the loans granted against the cash deposit Balances as cash backed loans can be recovered on bank's discretion.

3.2.1.1.1.3 EPF Loans

The collective impairment method is used for valuation of EPF back loans and no provisions made for Zero defaulters. The bank uses the rolling rate applicable to the range 0-3 to 3-18 month arrears loans. If the default category is greater than 18 months, the bank used rolling rate applicable to relevant category.

3.2.1.1.2 Individual Impairment Provisions**3.2.1.1.2.1 Acquired Properties for Sale**

Properties mortgaged to HDFC Bank are auctioned if the customers default for a reasonable time and the properties which are not disposed at such auctions are recognized as acquired properties which are presented under the loans & advances. The valuations of such properties are as follows. If the Cash flow is predicted with reasonable assurance individual impairment is calculated. If there is no reasonable assurance for cash flows 100% impairment is made for loans against the acquired property.

3.2.1.1.2.2 Project Loans

No impairment provision made for Zero defaulters and Individual. Impairment is made for defaulted loans with reasonable assurance for cash recoveries.

3.2.2. Financial Investments

Investment in treasury bills, Bonds and Held-to-maturity investments are stated at cost plus interest receivable and Held for sale investments are stated at cost plus interest receivable with Impairment gain (loss) adjustments.

3.2.3 Property, Plant & Equipment

These are recorded initially at cost plus other expenses which are necessary for the assets bringing to its useable condition the details of fair value by using the latest valuation report which is not more than

3 years as per the Sri Lanka Accounting Standard (LKAS) No. 16 is disclosed separately.

3.2.3.1 Basis of Recognition

Property, Plant & Equipment are recognized, if it is probable that future economic benefits associated with the asset will flow to the bank and cost of the asset can be reliably measured.

3.2.3.2 Basis of Measurement

The property, plant and equipment are stated at cost less accumulated depreciation, which is provided for on the basis specified as below.

3.2.3.3 Depreciation Policy

Depreciation is provided at the following rates on a straight-line basis over the estimated lives of different types of assets.

Class of Assets	% per Annum
Buildings	6 2/3
Office Equipment	12.50
Furniture & Fittings	10.00
Motor Vehicles & Bicycles	20.00
Plant and Machinery	25.00
Tools & Equipment	12.50
Computer Equipment & ATM	12.50
Computer software -Foreign	25.00
Computer software –Local	25.00

Total annual depreciation is provided for the year of use and no depreciation is provided for the year of disposal. The Bank has deviated from the section 55 of the LKAS 16, in consideration of the practical difficulties of calculating depreciation from the date of use of different classes of assets.

3.2.4 Investment Property

Investment properties are recorded at current market value and the different between carrying value and market value presented under other income in the income statement and group it under Financial Position.

3.2.5 Financial Assets designated at Fair Value through Profit or Loss

These includes investments which are for the purpose of trading whenever necessary. If the investments trade during the considering period, trading price considered as the fair value of that investments. If the investments is not trade during the considering period one month interest loss has been considered as the fair value adjustment.

3.3 Liabilities and Provisions**3.3.1 Due to other Customers**

These include interest bearing deposits, savings deposits, term deposits, deposits payable at call and certificates of deposit. They are stated in the Statement of Financial Position at amounts payable. The interest payable on these deposits is charged to the Income Statement on amortized cost basis and presented under respective liabilities.

3.3.2 Borrowings

Borrowings which include refinance borrowings, call money borrowings, and borrowings from financial institutions are shown at the gross value of the outstanding balance. They are stated in the Statement of Financial Position at amounts payable. Interests payable on these borrowings are charged to the Income Statement using amortized cost method.

3.3.3 Retirement Benefits

3.3.3.1 Retirement Benefits –Defined benefit plans, Provision is made in the Accounts for retirement gratuities payable under the payment of Gratuities Act No.12 of 1983 for employees from the time of joining the bank and provision for special gratuity as

ACCOUNTING POLICIES CONTD.

per CBEU collective agreement for special employees who have completed more than 15 years using Actuarial valuation. The item is grouped under other liabilities in the Statement of Financial position.

3.3.3.2 Retirement Benefits – Defined Contribution plans

3.3.3.2.1 Employee provident fund

The Bank and employees contribute to the Employee's Provident Fund at 12% and 8% on the salaries of each employee, respectively to the Provident Fund managed by the Central Bank of Sri Lanka.

3.3.3.2.2 Employees' Trust Fund

The Bank contributes at the rate of 3.0% of the salaries of each employee to the Employees Trust Fund managed by Employee Trust Fund Board

3.3.4 Other Liabilities

Other liabilities include fees, expenses and amounts payable for gratuity/pensions and other provisions. These liabilities are recorded at amounts expected to be payable at the Financial Position date.

3.4. Revenue Recognition.

3.4.1 Interest Income on Loans and Advances

Interest income is recognized on an accrual basis for all loans using the effective interest rate method.

3.4.2 Over due Interest Income

Over due interest for late payment of loan installment is recognized on a cash basis for the loans except EPF Loans.

3.5 Expenses

3.5.1 Interest on Deposits, Borrowings

In terms of the provisions of the Sri Lanka Accounting Standard (LKAS) No. 39 on borrowings are recognized on effective interest rate method and charge to the income statement.

3.5.2 Other Expenses

All expenditures incurred in operations and in maintaining the Properties, Plants and Equipment in a state of efficiency are charged to Income statement in arriving at the profit or loss for the year are recognized on accrual basis.

3.5.3 Taxation

Income tax expense comprises net of current year tax and deferred tax. Income tax expense is recognized in the Income Statement except to the extent it relates to items recognized directly in Equity in which case it is recognized in Equity.

3.5.3.1 Current Taxation

Current tax assets and liabilities consist of amounts expected to be recovered from or paid to the taxation authorities in respect of the current as well as prior years. The tax rates and tax laws used to compute the amounts are those that are enacted or substantially enacted by the Statement of Financial Position date. Accordingly, provision for taxation is made on the basis of the profit for the year as adjusted for taxation purposes in accordance with the provisions of the Inland Revenue Act No. 10 of 2006 and amendments thereto, the note also includes the major components of tax expense, the effective tax rates and a reconciliation between the profit before tax and expense as required by the Sri Lanka Accounting Standard (LKAS) No. 12 on "Income Taxes".

3.5.3.2 Deferred Taxation

Deferred taxation is provided on the liability method. The tax effect of timing difference which occur where items are allowed for income tax purposes in a period different from what when they are recognized in financial statements is included in the provision for deferred tax at current rate of taxation.

3.5.3.3 Value Added Tax on Financial Services

The basis for the computation of Value Added Tax on Financial Services is the accounting profit before emoluments paid to employees and income tax, which is adjusted for the depreciation computed on prescribed rates. The amount of Value Added Tax charged in determining the profit for the period is given in to the Financial Statements.

3.6 The Statement of Cash Flow

The Cash Flow Statement has been prepared by using the "Direct Method" of preparing cash flows in accordance with the Sri Lanka Accounting Standard (LKAS) No. 7 on 'Statement of Cash Flow', whereby gross cash receipts and gross cash payments on operating activities, investing activities and financing activities are recognized. Cash and Cash Equivalents comprise of short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

3.7 Statutory Reserve Fund

5% of the net profit after tax is transferred to the statutory Reserve fund before all distributions as per CBSL Direction.

General Reserve Fund

10% of the net profit after tax is transferred to the General Reserve fund before dividend distribution as per the HDFC Act.

3.8 Dividends on Ordinary Shares

Dividends on Ordinary Shares are recognized as a liability and deducted from equity when they are approved by the Annual General Meeting.

Dividends on Ordinary Shares for the year that are recommended by the Directors after the Statement of Financial Position date for approval of the Shareholders at the Annual General Meeting are disclosed separately to the Financial Statements.

3.9 Earnings per Share

Basic EPS is calculated by dividing the profit or loss attributable to Ordinary Shareholders of the Bank by the weighted average number of Ordinary Shares outstanding during the period. Diluted EPS is determined by dividing the profit or loss attributable to the Ordinary Shareholders by the weighted average number of Ordinary Shares outstanding adjusted for the effects of all dilutive potential Ordinary Shares.

3.10 Inventory Valuation

The consumable stocks are recorded at cost and the issues of inventory items are based on the first in first out (FIFO) method.

3.11 Interest in Other Entities

There is no any material interest in other entities as at balance sheet date.

3.12 New accounting standards issued not yet adopted

The following Sri Lanka Accounting Standards were issued by the Institute of Chartered Accountants of Sri Lanka and is effective for the periods commencing on or after 1st January 2015.

(i) SLFRS 9 – Financial Instruments

The objective of this SLFRS is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. Effective date of this standard has been deferred until January 01, 2018.

(ii) SLFRS 15 – Revenue from contracts with customers.

The objective of this SLFRS is to establish a Comprehensive framework for determining whether, how much and when revenue is Recognized. This Standard is effective for Annual report updating periods beginning on or after January 1, 2017.

NOTES TO THE FINANCIAL STATEMENTS

1 Interest Income

Figures in LKR	2015	2014
Interest Income		
Sri Lanka government securities	39,694,272	18,741,876
Balance With Banks	-	-
Derivatives	-	-
Financial assets held-for -trading	87,172,274	10,803,514
Financial assets designated at fare value through Profit or Loss	-	-
Loans and receivables to banks	-	-
Loans and receivables to other customers	3,914,187,244	3,704,718,926
Financial investments - Held -to- maturity	619,128,955	643,580,493
Financial investments - Available-for-sale	-	-
Others	-	-
Total interest income	4,660,182,745	4,377,844,809

2 Interest Expenses

Figures in LKR	2015	2014
Due to Banks	97,624,960	64,529,141
Derivatives	-	-
Financial liabilities at fair value through profit or loss	-	-
Due to other customers	1,998,587,384	2,095,079,747
Debt securities issued	307,960,169	307,947,362
Other Borrowings	135,170,939	67,128,762
Total interest expenses	2,539,343,452	2,534,685,012

3 Fee Commission Income and Other

Figures in LKR	2015	2014
Fee and Commission income	253,108,354	211,424,163
Others	-	-
Fee and Commission Income	253,108,354	211,424,162
Comprising		
Loans	216,813,756	181,931,192
Cards	-	-
Trade and remittances	-	-
Investment banking	-	-
Deposits	-	-
Guarantees	-	-
Others *	36,294,598	29,492,971
Fee and Commission Income	253,108,354	211,424,163

4 Net gain/(loss) from financial instruments designated at fair value through Profit or Loss

Figures in LKR	2015	2014
Net Loss from Debenture Investment	(15,013,402)	(9,871,302)
Net Loss from Unit Trust	(1,250,000)	-
Total	(16,263,402)	(9,871,302)

5 Other Operating Income (net)

Figures in LKR	2015	2014
Revaluation gain (Loss) Investment Property	12,481,500	(20,196,500)
Profit (Loss) on sale of investment properties	(439,700)	6,924,513
Others	-	-
Other Operating Income (net)	12,041,800	(13,271,987)

6 Impairment Charges for Loans and Other Losses

Figures in LKR	2015	2014
Loans and Receivables		
To banks	-	-
To Other Customers	89,230,366	131,139,965
Others	-	-
Total	89,230,366	131,139,965
6.1 To Other Customers		
Individual Impairment	255,382	1,995,315
Collective Impairment	88,974,983	129,144,650
Total	89,230,366	131,139,965

NOTES TO THE FINANCIAL STATEMENTS CONTD.**7 Staff Costs**

Figures in LKR	2015	2014
Salary and Related Expenses		
Salary and Bonus	599,910,289	438,538,120
Staff Loan Benefits	42,956,900	33,408,152
Staff Medical	28,984,670	27,278,314
Overtime & Officers Allowance	12,332,920	8,824,882
Encashment of Annual Leave	14,552,470	13,320,053
Incentive Payments	11,958,132	9,945,765
Sub total	710,695,380	531,315,286
Retirement Benefits		
Contributions to defined contribution plans	69,574,757	53,664,346
Contributions to defined benefit plans	48,387,617	86,212,601
Sub total	117,962,374	139,876,948
Total	828,657,754	671,192,234
7.01 Remuneration to Key Management		
Total Remuneration to Key Management	50,459,298	23,173,261
Total	50,459,298	23,173,261

8 Other Expenses

Figures in LKR	2015	2014
Directors' emoluments	1,766,320	1,818,600
Auditors' remunerations	685,200	633,200
Professional expenses	2,977,831	4,645,753
Legal expenses	514,135	415,722
Depreciation of Property, Plant and equipment	68,133,701	68,479,115
Amortization of Leasehold property	364,642	364,642
Electricity & Water	25,467,491	26,185,209
Telephone Charges	23,733,588	20,523,949
Computer Maintenance	24,335,569	20,330,591
Rent	62,692,471	53,507,496
Repair & Maintenance	6,404,211	5,285,132
Business Dev.& Advertising	52,085,291	41,921,179
Other Office admin. and establishment expenses	220,695,760	207,920,578
Total	489,856,209	452,031,165

9 VAT On Financial Services

Figures in LKR	2015	2014
Total Value Addition	1,615,048,507	1,259,653,455
Value Addition Attributable for Financial Services	1,536,954,427	1,207,723,595
Finance VAT %	11%	12%
VAT on Financial Services For Current year	169,064,987	144,926,832
Under (Over) Provision in Previous Years	5,913,674	(2,434,484)
Total	174,978,661	142,492,348

10 Tax Expenses

Figures in LKR	2015	2014
Current Tax Expense		
Current Year	266,812,673	256,356,837
Prior years' Provision	-	-
Differed Tax Expenses	27,199,396	3,632,801
Total	294,012,069	259,989,639

10.1 Reconciliation of tax expenses

Figures in LKR	2015	2014
Accounting Profit	961,981,716	777,077,306
Add :Disallowable Expenses	339,081,117	377,629,082
Less :Allowable Expenses	348,160,428	239,146,254
Adjusted Profit Before Tax	952,902,405	915,560,134
Income Tax @ 28%	266,812,673	256,356,837
Accounting Profit After VAT	787,003,055	634,584,959
Effective Tax Rate	33.90%	40.40%

10.2 Relationship Between Tax Expense and Accounting Income

Profit Before Tax as per the Income Statement	961,981,716	777,077,306
Add :Disallowable Expenses	339,081,117	377,629,082
Less :Allowable Expenses	348,160,428	239,146,254
Taxable Income	952,902,405	915,560,134
Tax @ 28%	266,812,673	256,356,837
Under (Over) Provision	-	-
Less : Differed Tax Adjustments	27,199,396	3,632,801
Provision for Income Tax	294,012,070	259,989,639

NOTES TO THE FINANCIAL STATEMENTS CONTD.**10.3 The deferred tax (credit)/charge in the income statement comprise of the following.**

Figures in LKR	2015	2014
Deferred tax assets	9,022,831	41,689,697
Deferred tax Liabilities	36,222,228	45,322,498
Other temporary differences	-	-
Differed tax (credit)/ Charges to income Statement	(27,199,396)	(3,632,801)

11 Earning Per Share

Figures in LKR	2015	2014
Net profit attributable to ordinary equity holders	492,990,986	374,595,320
Net profit attributable to ordinary equity holders adjust for the effect of dilution	492,990,986	374,595,320
Weighted average number of ordinary shares for basic earnings per share	64,710,520	64,710,520
Basic earning per ordinary share (Rs)	7.62	5.79
Diluted earnings per share	-	-

12 Cash and Balances with Central Banks

Figures in LKR	2015	2014
Cash in Hand	145,099,998	123,224,003
Total	145,099,998	123,224,003

13 Sri Lanka Government Securities

Figures in LKR	2015	2014
Held-to-maturity		
Treasury Bonds/ Treasury Bills	35,687,587	35,456,328
Treasury Bills Under Repurchase Agreements	20,000,000	390,000,000
Others		
Total	55,687,587	425,456,328

14 Balance With Banks

Figures in LKR	2015	2014
Placements	63,070,732	149,867,384
Others	-	14,434,349
Total	63,070,732	164,301,732

15 Financial Assets held for Trading

Figures in LKR	2015	2014
Investment in Trading Debentures	2,019,603,937	850,381,869
Investment in Unit Trust	23,750,000	-
Total	2,043,353,937	850,381,869

16 Loans and receivables to Other Customers

Figures in LKR	2015	2014
Gross loans and receivable	27,315,911,730	23,898,578,805
(less) :Individual impairment charges	(30,060,507)	(29,805,125)
Collective impairment charges	(601,240,300)	(512,265,317)
Of Which: Loans and receivables	26,684,610,922	23,356,508,363
Net loans and Receivables	26,684,610,922	23,356,508,363
a. Analysis		
By Product		
Over drafts	-	-
Trade Finance	-	-
Credit Cards	-	-
Gold	206,385,738	175,640,022
Staff Loans	1,007,209,856	577,934,535
Leasing And Hire Purchase	749,265,915	104,705,328
Term Loans	-	-
Short-term	-	-
Long-term	25,353,050,220	23,040,298,921
Reverse repo agreements	-	-
Others	-	-
Gross Total	27,315,911,730	23,898,578,805
By Currency		
Sri Lankan Rupee	27,315,911,730	23,898,578,805
United State Dollar	-	-
Great Britain Pound	-	-
Others	-	-
Gross Total	27,315,911,730	23,898,578,805
By industry		
Agriculture and fishing	-	-
Manufacturing	-	-
Tourism	-	-
Transport	-	-
Construction	-	-
Traders	-	-
New economy	496,824,323	211,558,099
Housing	26,819,087,407	23,687,020,706
Gross Total	27,315,911,730	23,898,578,805

NOTES TO THE FINANCIAL STATEMENTS CONTD.**b. Movements in Individual and Collective Impairment Charges during the Year**

Figures in LKR	2015	2014
Individual impairment charges		
Opening balance at 01-01	29,805,125	27,809,810
Charge for the Year(Addition)	229,568,808	131,002,619
Charge(Write back) to income	(229,313,425)	(129,007,304)
Other movements	-	-
Closing balance 31-12	30,060,508	29,805,125
Collective impairment charges		
Opening balance at 01-01	512,265,316	383,120,666
Charge for the Year(Addition)	349,709,283	331,350,565
Charge(Write back) to income	(260,603,699)	(202,205,915)
Closing balance 31-12	601,370,900	512,265,316
Total Impairment	631,431,407	542,070,441

17 Financial Investments -Held-to- Maturity (Excluding Sri Lanka Government Securities)

Figures in LKR	2015	2014
Equity securities	30,600	30,600
Debt Securities	-	-
Fixed Deposit	10,687,740,340	7,619,780,363
Overnight Deposit	-	-
Commercial Paper	857,065,203	498,424,128
Trust Certificates	43,505,001	165,316,685
(Less) Impairment charges	-	-
Net Total	11,588,341,144	8,283,551,776
Of Which : Held-To-Maturity Investments designated at fair value through profit or loss	-	-
Held-To-Maturity Investments	11,588,341,144	8,283,551,776

18 Property, Plant and Equipment

	Land and Buildings	Leasehold Properties	Computer Hardware and Software	Office Equipment, Furniture and Fittings	Others	Total
2015						
Cost/Fair Value						
Opening Balance at 01-01-2015	23,422,679	50,620,316	151,332,187	211,187,018	92,473,231	529,035,432
Additions	-	-	23,797,325	61,081,401	131,231,146	216,109,872
Disposals/Write off	-	875,363	1,546,772	4,021,346	5,246,600	11,690,081
Exchange rate Variance	-	-	-	-	-	-
Adjustments	(5,847,679)	5,847,679	-	-	-	-
Closing Balance at 31-12-2015	17,575,000	55,592,632	173,582,741	268,247,072	218,457,777	733,455,222
(less) : Accumulated depreciation						
Opening Balance at 01-01-2015	3,723,101	4,740,344	83,728,474	85,068,851	55,884,720	233,145,490
Charge for the year	518,695	754,493	22,160,873	28,745,099	16,911,984	69,091,143
Additions	-	-	-	-	-	-
Disposals	-	-	913,248	2,747,280	14,000	3,674,528
Exchange rate Variance	-	-	-	-	-	-
Adjustments	(2,166,979)	2,166,979	-	-	-	-
Closing Balance at 31-12-2015	2,074,817	7,661,816	104,976,098	111,066,670	72,782,704	298,562,105
(less):Impairment charges	-	-	-	-	-	-
Net Book Value at 31-12-2015	15,500,183	47,930,816	68,606,643	157,180,403	145,675,073	434,893,117
2014						
Cost/Fair Value						
Opening Balance at 01-01-2014	23,422,679	51,495,680	188,254,427	203,326,377	85,544,633	552,043,798
Additions	-	-	31,395,723	34,510,158	19,650,967	85,556,848
Disposals	-	875,364	-	-	13,224,000	14,099,364
Exchange rate Variance	-	-	-	-	-	-
Adjustments	-	-	(68,317,963)	(26,649,517)	501,631	(94,465,849)
Closing Balance at 31-12-2014	23,422,679	50,620,316	151,332,187	211,187,018	92,473,231	529,035,433
(less) : Accumulated depreciation						
Opening Balance at 01-01-2014	2,814,528	4,375,702	118,398,980	80,553,733	56,363,859	262,506,801
Charge for the year	908,536	364,642	28,296,027	24,348,063	1,702,489	55,619,757
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Exchange rate Variance	-	-	-	-	-	-
Adjustments	37	(64,657,386)	(19,832,945)	(490,774)	(84,981,068)	-
Closing Balance at 31-12-2014	3,723,064	4,740,344	82,037,620	85,068,851	57,575,574	233,145,490
(less):Impairment charges	-	-	-	-	-	-
Net Book Value at 31-12-2014	19,699,615	45,879,973	69,294,567	126,118,167	34,897,657	295,889,942

NOTES TO THE FINANCIAL STATEMENTS CONTD.**18.1 Fully Depreciated Property Plant and Equipments**

The cost of fully depreciated property , Plant & equipment of the Bank which are still in use as at the date of Statement of financial Position is as follows.

2015	Fully depreciated	Depreciating	Total
Land and Buildings	-	23,422,679	23,422,679
Leasehold Properties	-	49,744,953	49,744,953
Computer Hardware and Software	37,624,568	135,958,173	173,582,741
Office Equipment, Furniture and Fittings	12,913,989	255,333,083	268,247,072
Plant and Machinery	28,034,033	3,125,988	31,160,020
Tools	51,925	-	51,925
Motor Vehicle	25,362,100	36,525,458	61,887,558
Working Progress	-	-	125,358,273
Total	103,986,615	504,110,334	733,455,222

2014	Fully depreciated	Depreciating	Total
Land and Buildings	-	23,422,679	23,422,679
Leasehold Properties	-	50,620,316	50,620,316
Computer Hardware and Software	28,369,460	122,962,727	151,332,187
Office Equipment, Furniture and Fittings	7,832,506	203,354,512	211,187,018
Plant and Machinery	11,009,210	19,195,210	30,204,420
Tools	57,725	-	57,725
Motor Vehicle	10,978,620	42,216,339	53,194,959
Working Progress	-	-	9,016,127
Total	58,247,521	461,771,784	529,035,432

18.2 Information on Free hold Land and Building of Bank

Location	Extent	Building-Square feet	Net Book Value	Market Value
Kalutara Branch- No-13, Gnanodaya Mw, Kalutara South, Kalutara.	P 7.535	3,420	17,575,000	29,000,000

Date of Valuation 11th November 2014

Name of the Valuer M A Ananda Sarath

Qualification of the Valuer B.Sc. (Special) Estate Management & valuation (Sri Lanka) AIV, Sri Lanka. Incorporated Valuer

18.3 Information on Lease hold Land and Building of Bank

Location	Extent	Building -Square feet	Net Book Value	Market Value
Hyde Park Branch -No-63, Hyde park corner,Colombo 02.	P 31	1150	47,930,816	116,000,000

Date of Valuation 13th November 2014

Name of the Valuer M A Ananda Sarath

Qualification of the Valuer B.Sc. (Special) Estate Management & valuation (Sri Lanka) AIV, Sri Lanka. Incorporated Valuer

19 Investment Properties

a. Investment Properties at Cost/fare Value

Figures in LKR	2015	2014
Cost/fare value		
Opening Balance at 01-01	777,648,500	807,755,000
Additions	-	-
Disposals	(3,780,000)	(9,910,000)
Exchange rate Variance	-	-
Adjustments/Revaluation	12,481,500	(20,196,500)
Closing Balance at 31-12	786,350,000	777,648,500
(less) : Accumulated depreciation	-	-
Opening Balance at 01-01	-	-
Charge for the year	-	-
Additions	-	-
Disposals	-	-
Exchange rate Variance	-	-
Adjustments	-	-
Closing Balance at 31-12	-	-
(less):Impairment charges	-	-
Net Book Value at 31-12	786,350,000	777,648,500
Market Value at 31-12	786,350,000	777,648,500

19.1 Investment Properties Valuation details

Location	Extent (Perches)	Deed No	Bank	
			2015	2014
No; 441 Sangarajah Mw,Aluthkade East	59.20	1127	207,000,000	207,000,000
No.192 Srimath Bandaranayake Mw,,Kotahena Colombo 13.	123.20	1124	431,000,000	429,700,000
No.192 (Part) Sri Sangarajah Mawatha,Kotahena Colombo 13.	15.00	1126	52,500,000	52,500,000
Avissawella -Housing Project			95,850,000	88,448,500
Total			786,350,000	777,648,500

19.2 Revaluation of Lands

No 192 Srimath Bandaranayake Mw, Kotahena Deed No 1127
 No.192 Srimath Bandaranayake Mw,,Kotahena Colombo 13.
 No.192 (Part) Sri Sangarajah Mawatha,Kotahena Colombo 13.

Name of the Valuer M A Ananda Sarath
 Qualification of the Valuer B.Sc. (Special) Estate Management & valuation (Sri Lanka) AIV, Sri Lanka. Incorporated Valuer
 Valuation Date 31st December 2015

NOTES TO THE FINANCIAL STATEMENTS CONTD.**19.3 Revaluation of Avissawella -Housing Project**

Name of the Valuer	W D Siripala
Qualification of the Valuer	Incorporated Valuer
Valuation Date	22nd January 2016

19.3 Pending Court Case Investment Property

An appeal was filed by the Building Materials Corporation in the Provincial High Court (Civil Appeal) of the Western Province holden in Colombo, bearing Case No: WP/HCCA/COL-180/2012 F against the Order given in favour of the HDFC Bank by the District Court of Colombo in Case No.21514/L. The HDFC Bank filed a Motion, moving to dismiss the above appeal made by the BMC and the Appeal of BMC was dismissed by the Provincial High Court (Civil Appeal) of the Western Province holden in Colombo on 25th February 2016.

20 Deferred Tax Assets/Liabilities

Figures in LKR	2015	2014
Deferred tax assets	87,682,619	58,129,916
Deferred tax Liabilities	(105,992,887)	(49,240,787)
Net Total	(18,310,267)	8,889,129

21 Other Assets

Figures in LKR	2015	2014
Cost		
Receivables	8,238,234	9,414,903
Deposits and Prepayments	37,704,452	45,411,273
Loan Related Receivable	48,866,788	66,069,743
Others	16,737,400	10,982,164
Total	111,546,873	131,878,083

22 Due to Banks and Other institutes

Figures in LKR	2015	2014
Borrowings from Banks	1,283,634,282	1,760,904,588
Borrowings from Other Institutes	1,747,478,136	2,464,769,326
Total	3,031,112,418	4,225,673,914

23 Due to Other Customers

Figures in LKR	2015	2014
At amortised cost	28,592,674,990	24,479,322,303
Total	28,592,674,990	24,479,322,303

a. Analysis

Figures in LKR	2015	2014
By Product		
Savings deposits	4,183,309,414	3,271,144,137
Fixed deposits	24,409,365,576	21,208,178,166
Total	28,592,674,990	24,479,322,303
By Currency		
Sri Lankan Rupee	28,592,674,990	24,479,322,303
Total	28,592,674,990	24,479,322,303

24 Debt Securities Issued

Figures in LKR	2015	2014
Issued by the bank	6,005,671,318	1,987,287,821
Issued by the Other Subsidiaries	-	-
Total	6,005,671,318	1,987,287,821
Due within 1 year	475,332,478	-
Due after 1 year	5,530,338,840	1,987,287,821
Total	6,005,671,318	1,987,287,821

NOTES TO THE FINANCIAL STATEMENTS CONTD.**a. Details of Debt Securities Issued**

Type	Face Value In Rupees	Interest Rate	Issue Date	Maturity Date	2015	2014
Issued by Banks						
Listed , secured, Redeemable & Rated 3 Year Debenture	476,460,000	14.50%	24th October 2013	23rd Oct 2016	475,332,477	473,831,997
Listed , secured, Redeemable & Rated 4 Year Debenture	443,540,000	15.00%	24th October 2013	23rd Oct 2017	441,704,329	440,658,385
Listed , secured, Redeemable & Rated 5 Year Debenture	1,080,000,000	15.50%	24th October 2013	23rd Oct 2018	1,075,193,483	1,072,797,438
Listed , secured, Redeemable & Rated 5 Year Debenture (Fixed Semi)	2,012,990,000	10.50%	20th November 2015	20th Nov. 2020	578,966,517	-
Listed , secured, Redeemable & Rated 5 Year Debenture (Floating Qtr)	578,240,000	AWPLR+1.5	20th November 2015	20th Nov. 2020	2,018,993,653	-
Listed , secured, Redeemable & Rated 10 Year Debenture (Fixed Annual)	1,408,770,000	12.00%	20th November 2015	20th Nov. 2025	1,415,480,858	-
Sub Total	6,000,000,000				6,005,671,318	1,987,287,820

25 Provision For Taxation and Deemed Dividend Tax

Figures in LKR	2015	2014
Taxation - current	308,034,687	356,002,644
VAT Payable	9,911,220	10,777,753
WHT Received	(64,615,053)	(101,744,540)
Crop Insurance Levy	1,173,913	3,081,627
NBT Payable	2,743,190	2,917,626
Total	257,247,956	271,035,110

26 Other Liabilities

Figures in LKR	2015	2014
Sundry creditors	131,138,140	108,445,710
Contributions to defined benefit plans (Note 26.1)	312,931,694	280,927,815
Long Term Funds & Deposits	17,770,257	18,956,998
Charges recovered in advance	182,272,663	160,213,485
Total	644,112,754	568,544,008

26.1 Contributions to defined benefit plans

Actuarial Valuation of Gratuity Liabilities as at 31 December 2015	Normal Gratuity	Special Gratuity	TOTAL
Accounting Disclosures :	Rs.	Rs.	Rs.
Change in the Present Value of The Defined Benefit Obligation (PV-DBO)			
Provision for PV-DBO as at 01 January 2015	152,785,680	128,142,135	280,927,815
Interest Cost for the period	14,514,640	12,173,503	26,688,142
Current Service Cost for the period	12,188,263	8,093,065	20,281,328
Gratuity paid/payable for those who left during the period	(1,850,052)	(3,816,780)	(5,666,832)
Actuarial (Gain)/Loss on PV-DBO	5,721,359	(15,020,119)	(9,298,759)
Provision for PV-DBO as at 31 December 2015	183,359,890	129,571,804	312,931,694

AMOUNTS RECOGNISED IN THE BALANCE SHEET AND INCOME STATEMENT

Liability recognised in the balance sheet

Provision for Gratuity as at 31 December 2015	183,359,890	129,571,804	312,931,694
Unrecognized actuarial Gains/(Losses) as at 31 December 2015	-	-	-
Liability recognised in the balance sheet as at 31 December 2015	183,359,890	129,571,804	312,931,694

Expenses recognised in the income statement

Interest Cost	14,514,640	12,173,503	26,688,142
Current Service Cost	12,188,263	8,093,065	20,281,328
Net Actuarial (Gain)/Loss recognized immediately	5,721,359	(15,020,119)	(9,298,759)
Expenses recognised in the Income Statement	32,424,262	5,246,449	37,670,711

Movements in the Net Liability Recognised in the balance sheet

Opening Net Liability as at 01 January 2015	152,785,680	128,142,135	280,927,815
Expenses recognized in the Income Statement	32,424,262	5,246,449	37,670,711
Gratuity paid/payable for those who left during the period	(1,850,052)	(3,816,780)	(5,666,832)
Closing Net Liability as at 31 December 2015	183,359,890	129,571,804	312,931,694

Name of the Actuary	M Poopalanathan
Date of the Actuarial Computation	25th January 2016
Method of Valuation	Projected Unit Credit Method

27 Stated Capital

Figures in LKR

	2015	2014
Authorised Capital	2,000,000,000	2,000,000,000
Stated Capital /Assigned Capital	962,092,936	962,092,936
Total	962,092,936	962,092,936

NOTES TO THE FINANCIAL STATEMENTS CONTD.**28 Statutory Reserve Fund**

Figures in LKR	2015	2014
Opening balance as at 01-01	89,968,266	71,238,500
Transfer During the Period	24,649,549	18,729,766
Closing Balance 31-12	114,617,816	89,968,266

29 Retained Earnings

Figures in LKR	2015	2014
Opening balance as at 01-01	1,571,195,098	1,268,966,705
Profit for the year	492,990,986	374,595,320
Transfer to other reserves	(73,948,648)	(56,189,298)
Dividend	(38,826,312)	(16,177,629)
Closing Balance 31-12	1,965,362,943	1,571,195,098

30 Other Reserves**Bank-2015**

Figures in LKR	Opening Balance 01-01-2015	Movement/ transfers	Closing balance as at 31-12-2015
General reserve	106,338,031	49,299,099	155,637,130
Revaluation Reserve	32,388,226	(875,364)	31,512,862
Investment Fund	140,448,554	-	140,448,554
Available-for-sale reserve	-	-	-
Cash flow reserve	-	-	-
Foreign currency translation reserve	-	-	-
Special Reserve	3,451,125	-	3,451,125
Actuarial Gain/Loss	(20,015,666)	10,716,906	(9,298,760)
Total	262,610,270	59,140,641	321,750,911

Bank-2014

Figures in LKR	Opening Balance 01-01-2014	Movement/ transfers	Closing balance as at 31-12-2014
General reserve	68,878,499	37,459,532	106,338,031
Revaluation Reserve	33,263,590	(875,364)	32,388,226
Investment Fund	140,448,554	-	140,448,554
Available-for-sale reserve	-	-	-
Cash flow reserve	-	-	-
Foreign currency translation reserve	-	-	-
Special Reserve	3,451,125	-	3,451,125
Actuarial Gain/Loss	26,881,713	(46,897,379)	(20,015,666)
Total	272,923,481	(10,313,211)	262,610,270

31 Contingent Liabilities & Commitments

	31.12.2015	31.12.2014
1.Commitments secured by 100% securities(Credit Guaranties)	5,370,000	3,557,590
2.Self Liquidatable Commitments (Pending Loan Disbursements)	737,558,019	581,211,563
Total	742,928,019	584,769,154

32 Maturity Gap Analysis

An analysis of assets and liabilities based on the remaining period at the Balance sheet date to the respective contractual maturity date is as follows,

As at 31st December 2015 (LKR.000')	Up to 3 Months	3 to 12 Months	1 to 3 Years	3 to 5 Years	More than 5 Years	Total
Assets						
Cash	145,100	-	-	-	-	145,100
Due from Banks	63,071	-	-	-	-	63,071
Investments	8,585,767	5,044,182	19,473	37,961	-	13,687,383
Loans & Advances	1,027,216	3,507,297	6,828,609	6,502,306	9,269,183	26,684,611
Fixed Assets	-	-	-	-	434,893	434,893
Other Assets	37,673	41,369	26,888	2,933	789,033	897,897
Total Assets	9,858,827	8,142,847	6,874,971	6,543,200	10,493,110	41,912,954
Percentage 31st Dec 2015	23.53	19.43	16.40	15.61	25.04	100.00
Percentage 31st Dec 2014	22.52	17.33	16.41	14.37	29.37	100.00
Liabilities						
Total Capital Fund	-	-	-	-	3,363,825	3,363,825
Deposits	11,945,807	9,856,688	4,794,220	569,003	1,426,957	28,592,675
Borrowings	777,803	2,276,404	4,500,447	807,319	674,810	9,036,784
Other Liabilities	441,533	147,436	5,620	19,503	305,578	919,671
Total Liabilities	13,165,143	12,280,528	9,300,287	1,395,825	5,771,170	41,912,954
Percentage 31st Dec 2015	31.41	29.30	22.19	3.33	13.77	100.00
Percentage 31st Dec 2014	44.71	22.60	7.53	10.97	14.19	100.00

NOTES TO THE FINANCIAL STATEMENTS CONTD.**Related Party Transactions****33 Directors Interest in Contracts with the Bank**

Name	Related Party	Office Holding	Transactions	Nature of Transactions	% Regulatory Capital
Mr.L.S.Palansuriya	National Housing Development Authority	Chairman	23Mn	Rent for Head office Building	0.80%
Mr.M.Surendran	Perpetual Assets Management Ltd.	Director	100Mn	Commercial Papers Investments	3.42%
Mrs .B.G.S. Gunathilaka	Director HDFC	Director	3.8Mn	Housing Loan	0.13%
Mr.R.J.De Silva	Chairman HDFC	Chairman	0.02Mn	Saving Deposit	0.00%
Mr.Wasantha Hewapalihakkara (Spouse to Director)	Mrs. B.G.S. Gunathilaka (Director HDFC)	-	0.009Mn	Saving Deposit	0.00%

34 Events Occurring after the Reporting Period

There has been no material event after the after the reporting period that requires adjustments or disclosure in the Financial Statement.

35 Assets Pledge

Type of Facility	Amount of facility Rs Mn	Nature of Security	Value of security Rs Mn	Balance as at 31-12-2015 Rs Mn
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(1) Overdraft (Sampath Bank)	100	Part of Portfolio	150	72.40
(2) Borrowing (Term Loan) (Sampath Bank)	1,500	Part of Portfolio	1,915	634.3

Type of Facility	Amount of facility Rs Mn	Nature of Security	Value of security Rs Mn	Balance as at 31-12-2015 Rs Mn
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(1) Listed ,Secured ,Redeemable Debenture	2,000	Part of Portfolio	3,100	1,992
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MEASUREMENT OF FINANCIAL INSTRUMENTS

a Bank-Current year -2015

Figures in LKR "000"	HFT	Designated at FVTPL	HTM	L&R	AFS	Others	Total
Assets							
Cash and balances with Central Banks	-	-	-	-	-	145,100	145,100
Sri Lanka Government securities	-	-	55,688	-	-	-	55,688
Balances with banks	-	-	63,071	-	-	-	63,071
Derivatives	-	-	-	-	-	-	-
Financial assets held-for-trading	2,043,354	-	-	-	-	-	2,043,354
Financial assets designated at fare value through profit or Loss	-	-	-	-	-	-	-
Loans and receivable to the Banks	-	-	-	-	-	-	-
Loans and Receivables to other customers	-	-	-	26,684,611	-	-	26,684,611
Financial Investments	-	-	11,588,341	-	-	-	11,588,341
Other assets	-	-	-	-	-	-	-
Total Financial Assets	2,043,354	-	11,707,099	26,684,611	-	145,100	40,580,164
Other Assets	-	-	-	-	-	1,332,790	1,332,790
Total Assets	2,043,354	-	11,707,099	26,684,611	-	1,477,890	41,912,954

Figures in LKR "000"	HFT	Designated at FVTPL	HTM	L&R	AFS	Others	Total
Liabilities							
Due to banks	-	-	3,031,112	-	-	-	3,031,112
Derivatives	-	-	-	-	-	-	-
Financial liabilities designated at fare value through profit or loss	-	-	-	-	-	-	-
Due to other customers	-	-	28,592,675	-	-	-	28,592,675
Debt securities issued	-	-	6,005,671	-	-	-	6,005,671
Other Liabilities	-	-	-	-	-	-	-
Total financial Liabilities	-	-	37,629,459	-	-	-	37,629,459
Other Liabilities	-	-	-	-	-	919,671	919,671
Total Liabilities	-	-	37,629,459	-	-	919,671	38,549,130
Share Holder Fund	-	-	-	-	-	3,363,825	3,363,825
Share Holder Fund & Liabilities	-	-	37,629,459	-	-	4,283,496	41,912,954

MEASUREMENT OF FINANCIAL INSTRUMENTS CONTD.**a Bank-Previous year -2014**

Figures in LKR "000"	Designated						Total
	HFT	at FVTPL	HTM	L&R	AFS	Others	
Assets							
Cash and balances with Central Banks	-	-	-	-	-	123,224	123,224
Sri Lanka Government securities	-	-	425,456	-	-	-	425,456
Balances with banks	-	-	164,302	-	-	-	164,302
Derivatives	-	-	-	-	-	-	-
Financial assets held-for-trading	850,382	-	-	-	-	-	850,382
Financial assets designated at fare value through profit or Loss	-	-	-	-	-	-	-
Loans and receivable to the Banks	-	-	-	-	-	-	-
Loans and Receivables to other customers	-	-	-	23,356,508	-	-	23,356,508
Financial Investments	-	-	8,283,552	-	-	-	8,283,552
Other assets	-	-	-	-	-	-	-
Total Financial Assets	850,382	-	8,873,310	23,356,508	-	123,224	33,203,424
Other Assets	-	-	-	-	-	1,214,306	1,214,306
Total Assets	850,382	-	8,873,310	23,356,508	-	1,337,530	34,417,730

Figures in LKR "000"	Designated						Total
	HFT	at FVTPL	HTM	L&R	AFS	Others	
Liabilities							
Due to banks & Other Financial Institutes	-	-	4,225,674	-	-	-	4,225,674
Derivatives	-	-	-	-	-	-	-
Financial liabilities designated at fare value through profit or loss	-	-	-	-	-	-	-
Due to other customers	-	-	24,479,322	-	-	-	24,479,322
Debt securities issued	-	-	1,987,288	-	-	-	1,987,288
Other Liabilities	-	-	-	-	-	-	-
Total financial Liabilities	-	-	30,692,284	-	-	-	30,692,284
Other Liabilities	-	-	-	-	-	839,579	839,579
Total Liabilities	-	-	30,692,284	-	-	839,579	31,531,863
Share Holder Fund	-	-	-	-	-	2,885,867	2,885,867
Share Holder Fund & Liabilities	-	-	30,692,284	-	-	3,725,446	34,417,730

CAPITAL ADEQUACY

CAPITAL BASE

As at 31st December	2015 (Rs.000')	2014 (Rs.000')
Core Capital (Tier 1)		
Paid-up Ordinary Shares/Common Stock/Assigned Capital	647,105	647,105
Share Premium	314,988	314,988
Statutory Reserve Fund	115,153	89,968
Published Retained Profits/(Accumulated Losses)	2,096,513	1,571,195
General and Other Reserves	159,087	250,238
Sub Total	3,332,845	2,873,494
Deductions/Adjustments-Tier 1		
Net Deferred Tax Assets	-	8,889
Advances granted to employees of the bank for the purchase of shares of the bank under a share ownership plan	1,468	3,084
50% investments in the capital of other banks and financial institutions	421,043	249,945
Total Core Capital (Tier 1)	2,910,334	2,611,576
Additions		
General Provisions	103,961	87,343
Deduction		
50% investments in the capital of other banks and financial institutions	421,043	249,945
Total Tier 2 Capital	-317,082	-162,602
Capital Base	2,593,253	2,448,974
Total risk adjusted balances (credit risk, market risk, operational risk)	21,295,850	18,949,558
Risk Adjusted Capital Ratios		
Tier 1 (Eligible Tier 1 capital / Total risk adjusted balances) *	13.67%	13.78%
Tier 11(Capital base / Total risk adjusted balances) **	12.18%	12.92%

* Statutory minimum 5 ** Statutory minimum 10%

RISK ADJUSTED ON - BALANCE SHEET EXPOSURE

Figures in LKR	Balance			Risk Adjusted Balance	
	2015	2014	Risk Weights (%)	2015	2014
As at 31st December					
Exposures					
Cash- Local Currency	145,100	123,224	0%	-	-
Sri Lanka Govt Treasury Bills & Bonds	55,688	425,456	0%	-	-
Central Bank of Sri Lanka	-	14,434	0%	-	-
Claims on Public Sector Entities (PSEs)	31	31	100%	31	31
Loan & Advances					
Claims Secured by Residential Property					
Claims that qualify for regulatory capital purposes	6,224,422	3,189,309	50%	3,112,211	1,594,655
Claims that not qualify for regulatory capital purposes	2,386,973	3,787,062	100%	2,386,973	3,787,062
Housing loans against EPF.	8,598,265	8,884,242	0%	-	-
Cash Margin Loans	779,307	656,102	0%	-	-
Gold Loans	209,671	182,153	0%	-	-
Trading Investment	1,543,354	850,382	-	-	-
Retail claims that qualify for regulatory capital purposes	6,804,341	5,031,130	75%	5,103,255	3,773,347
Claims Secured by Real State	24,321	21,973	100%	24,321	21,973
Non Performing Assets					
Past Due Residential Mortgage Loans					
Specific provisions are more than 20%	25,218	15,979	50%	12,609	7,989
Specific provisions are less than 20%	828,540	956,967	100%	828,540	956,967
Housing loans on Guarantors & others					
Specific provisions are more than 20%	83,748	56,652	100%	83,748	56,652
Specific provisions are less than 20%	208,127	162,050	150%	312,191	243,075
Due From local Commercial Banks Less Than Three Months (AAA to BBB-)	3,883,616	149,867	20%	776,723	29,973
Due From local Commercial Banks Less Than Three Months (BB+ to B-)	1,521,710	-	50%	760,855	-
Due From local Commercial Banks More than Three Months(AAA to AA-)	756,357	2,091,441	20%	151,271	418,288
Due From local Commercial Banks More than Three Months(A+ to BBB-)	1,455,804	3,344,868	50%	727,902	1,672,434
Due From local Commercial Banks More than Three Months(BB+ to B-)	1,574,235	1,242,193	100%	1,574,235	1,242,193
Claims on Financial Institutions/Primary Dealers/Finance Companies (AAA to AA-)	1,344,159	165,317	20%	268,832	33,063
Claims on Financial Institutions/Primary Dealers/Finance Companies (A+ to BBB- and unrated)	1,009,249	941,278	50%	504,625	470,639
Claims on Financial Institutions/Primary Dealers/Finance Companies (unrated)	101,317	498,424	100%	101,317	498,424
Fixed Assets	437,161	295,890	100%	437,161	295,890
Other Assets	930,273	909,382	100%	930,273	909,382
Retail claims that qualify for regulatory capital purposes - Off Balance Sheet	-	-	-	-	-
Total Risk Weighted Assets On Balance Sheet	40,930,987	33,995,805		18,097,073	16,012,038
Retail claims that qualify for regulatory capital purposes - Off Balance Sheet	5,370	3,558	100%	5,370	3,558
Total Risk Weighted Assets	40,936,357	33,999,363		18,102,443	16,015,595
Total risk adjusted balance for operational risk	-	-	-	2,873,314	2,152,096
Total risk adjusted balance for Market risk	-	-	-	320,093	781,867
Total risk adjusted balances (credit risk, market risk, operational risk)	-	-	-	21,295,850	18,949,558

CORPORATE INFORMATION

Name and Address :

HDFC Bank of Sri Lanka (Housing Development Finance Corporation Bank of Sri Lanka).

Registered Head Office :

Address: P.O. Box 2085, Sir Chittampalam A Gardiner Mawatha, Colombo 02.
Telephone : 2356800, 2446241, 2446239, 2447354
Fax : 2446392, 2356829, 2356827
Web Site : www.hdfc.lk
E-mail : hdfc@hdfc.lk

Legal Form :

A Licensed Specialised Bank under the provisions of Housing Development Finance Corporation, Act No. 07 of 1997, amended by Act No. 15 of 2003 and No. 45 of 2011.

Stock Market Listing :

The ordinary shares of the Bank are listed in the main board of the Colombo Stock Exchange (CSE)

Board of Directors :

Mr. R. J. De Silva (*Chairman*)
Mr. M. Surendran (*Director*)
Mr. Prasad Galhena (*Director*)
Mrs. B. G. S. Gunathilaka (*Director*)
Mr. R. M. J. Rasnayaka (*Director*)
Mr. R. H. Meewakkala (*Director*)
Mr. L. S. Palansuriya (*Director*)
Mr. P. S. Punchihewa (*Director*)
Mr. S. M. G. Jayarathne (*Director*)

Company Secretary :

Mrs. Dharshani De Silva
Attorney - at - Law & Notary Public,
MBA & LLM
Tel. 2423362
E-mail secretary@hdfc.lk

Registrars :

SSP Corporate Services (Pvt.) Limited
Address: 101, Inner Flower Road, Colombo 03.
Telephone : 2573894
Fax : 2573609
E-Mail : sspsec@sltnet.lk

Year of Incorporation as a Building Society :

1984

As a Licensed Specialised Bank :

2003

Auditor :

Auditor General

Credit Rating :

The Bank has been assigned BBB Stable (Ika) by Fitch Rating Lanka (Pvt) Ltd

Bankers :

Bank of Ceylon Corporate Branch, Echelon Square, Colombo 01.

Sampath Bank No.110, Sir James Pieris Mawatha, Colombo 02.

People's Bank No. 75, Sir Chittampalam A Gardiner Mawatha, Colombo 02.

Commercial Bank of Ceylon Limited
Commercial House, Union Place
Branch, Colombo 02.

Corporate Management

Mr. Upali Hettiarachchi - *Chief Executive Officer/General Manager*
Mr. S. Dissanayake - *Chief Operating Officer (COO)*
Mr. D. V. Pathirana - *Chief Financial Officer (CFO)*
Mr. W. M. A. Bandara - *Chief Information Officer (CIO)*
Mr. A. J. Athukorala - *Chief Internal Auditor*
Mrs. W. W. D. S. C. Perera - *AGM (Legal)*
Mrs. H. S. Gunathilake - *AGM (Business Development & Marketing)*
Mr. C. R. P. Balasuriya - *AGM - Treasury*
Mr. D. M. D. M. K. Dissanayake - *Chief Manager (Credit)*
Ms. K. T. Dharshani Deepika De Silva - *Bank /Board Secretary /Chief Manager*
Mr. H. A. Anura - *Chief Manager (Finance)*
Ms. W. N. D. Botheju - *Chief Manager (HR)*
Mr. K. R. M. Aruna Bandara - *Compliance Officer/Chief Manager*

Investor Information

Mr. D. Vidana Pathirana
Chief Financial Officer
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