

HDFC Bank of Sri Lanka



**INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED
31st December 2022**

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**HDFC Bank of Sri Lanka
Income Statement**

For the Period ended 31-12-2022

Item	Quarter ended 31st December 2022	Quarter ended 31st December 2021	Period ended 31st December 2022	Period ended 31st December 2021 (Audited)
	Rs "000"	Rs "000"	Rs "000"	Rs "000"
Interest Income	2,538,590	1,671,320	8,407,017	6,612,492
Interest Expenses	2,040,363	870,978	5,679,397	3,555,955
Net Interest Income	498,227	800,343	2,727,620	3,056,537
Fee and Commission Income	112,112	89,241	349,658	342,561
Less : Fee and Commission Expenses	-	-	-	-
Net fee and Commission Income	112,112	89,241	349,658	342,561
Other Operating Income (net)	98,500	49,011	98,500	49,011
Total Operating Income	708,840	938,595	3,175,778	3,448,110
Impairment Charge/(Reversal)	53,443	(36,553)	250,064	296,223
Net Operating Income	655,397	975,149	2,925,714	3,151,887
Personnel Expenses	444,025	364,194	1,541,013	1,387,304
Depreciation and Amortisation	49,679	52,699	172,705	161,215
Other expenses	165,847	135,146	522,316	404,821
Operating Profit before VAT	(4,154)	423,109	689,681	1,198,546
Less : VAT On Financial Services	49,357	95,675	313,011	320,226
Operating Profit after VAT	(53,511)	327,434	376,670	878,321
Shares of Profit of associates and joint ventures	-	-	-	-
Profit before Tax	(53,511)	327,434	376,670	878,321
Income tax expenses	(228,308)	121,762	(9,337)	331,034
Profit for the period	174,797	205,673	386,007	547,287
Profit attributable to:				
Equity holders of the parent	174,797	205,673	386,007	547,287
Non- controlling interests	-	-	-	-
Earning per share on profit				
Basic Earnings per Ordinary Share (Rs)	2.70	3.18	5.97	8.46

HDFC Bank of Sri Lanka
Statement of Comprehensive Income
For the Period ended 31-12-2022

Item	Quarter ended 31st December 2022	Quarter ended 31st December 2021	Period ended 31st December 2022	Period ended 31st December 2021 (Audited)
	Rs "000"	Rs "000"	Rs "000"	Rs "000"
Profit/(Loss) for the period	174,797	205,673	386,007	547,287
Items that will not be reclassified to income statement				
Re-measurement of post-employment benefit obligations	42,922	62,139	42,922	62,139
Less: Tax expense relating to items that will not be reclassified to income statement	(6,357)	(21,746)	(6,357)	(21,746)
Other comprehensive income (OCI) for the period net of tax	36,566	40,394	36,566	40,394
Total comprehensive income for the period net of tax	211,363	246,066	422,573	587,681
Attributable to				
Equity Holders of the Parent	211,363	246,066	422,573	587,681
Non - Controlling Interest	-	-	-	-
	211,363	246,066	422,573	587,681

HDFC Bank of Sri Lanka
Statement of Financial Position
As at 31st December 2022

Item	31.12.2022	31.12.2021
	Rs "000"	Rs "000"
		Audited
Assets		
Cash and Cash Equivalents	339,730	258,596
Balance with Central Bank	-	-
Placements with banks	29,599	8,138,460
Financial assets recognized through Profit or Loss		
measured at fair value	-	-
designated at fair value	-	-
Financial assets at amortised cost		
loans and advances	42,707,718	41,836,922
debt and other instruments	17,182,622	10,570,351
Property, plant and equipment	242,996	224,034
Lease ROUA	375,500	386,745
Investment properties	1,163,500	1,065,000
Goodwill and intangible assets	155,024	125,024
Deferred tax assets	356,811	126,048
Other assets	407,225	232,412
Total Assets	62,960,725	62,963,591
Liabilities		
Due to banks	1,053,088	2,103,173
Derivative financial instruments	-	-
Financial liabilities at amortised cost		
due to depositors	50,245,157	49,813,326
due to other borrowers	1,377,428	1,282,597
Debt securities issued	1,423,966	1,422,978
Lease Liability	392,158	388,628
Retirement benefit obligations	846,978	771,616
Current tax liabilities	310,074	316,139
Other liabilities	254,538	230,368
Total Liabilities	55,903,386	56,328,825
Capital		
AT - 1 Capital		
Perpetual Bond	281,250	281,250
Total AT - 1 Capital	281,250	281,250
Equity Capital		
Stated capital/Assigned capital	962,093	962,093
Statutory reserve fund	291,673	272,373
OCI reserve	(46,022)	(82,588)
Retain Earnings	5,058,597	4,730,491
Other Reserves	509,748	471,147
Non-controlling Interest	-	-
Total Equity Capital	6,776,089	6,353,516
Total shareholders' equity and AT-1 Capital	7,057,339	6,634,766
Total Liabilities and Equity	62,960,725	62,963,591
Contingent liabilities and commitments	204,944	650,025
Net Assets value per Ordinary Share (Rs)	104.71	98.18
Memorandum information		
Number of employees	588	614
Number of Branches	39	39

Note: Amounts stated are net of impairment and depreciation.

HDFC Bank of Sri Lanka
Statement of Changes in Equity
for the Period ended 31st December 2022

Attributable to equity holders of the bank							Rs (000)	
Item	Stated Capital Ordinary Voting Shares	Statutory Reserve Fund	OCI Reserve	Retained Earnings	Other Reserves	Total	Non-Controlling Interest	Total Equity
Balance as at 01/01/2021	962,093	245,008	(122,982)	4,281,474	416,418	5,782,013	-	5,782,013
Profit/(Loss) for the Period	-	-	-	547,287	-	547,287	-	547,287
Other Comprehensive income (net of tax)	-	-	40,394	-	-	40,394	-	40,394
Share issue/increase of Assigned Capital	-	-	-	-	-	-	-	-
Bonus issue	-	-	-	-	-	-	-	-
Right issue	-	-	-	-	-	-	-	-
Transfer to Reserves during the period	-	-	-	-	-	-	-	-
Dividend paid	-	27,364	-	-82,093	54,729	-16,178	-	-16,178
Profit transferred to head office	-	-	-	-	-	-	-	-
Gain/(loss) on revaluation of Property Plant and Equipment	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Balance as at 31/12/2021	962,093	272,373	(82,588)	4,730,491	471,147	6,353,516	-	6,353,516

Attributable to equity holders of the bank							Rs (000)	
Item	Stated Capital Ordinary Voting Shares	Statutory Reserve Fund	OCI Reserve	Retained Earnings	Other Reserves	Total	Non-Controlling Interest	Total Equity
Balance as at 01/01/2022	962,093	272,373	(82,588)	4,730,491	471,147	6,353,516	-	6,353,516
Profit/(Loss) for the Period	-	-	-	386,007	-	386,007	-	386,007
Other Comprehensive income (net of tax)	-	-	36,566	-	-	36,566	-	36,566
Share issue/increase of Assigned Capital	-	-	-	-	-	-	-	-
Bonus issue	-	-	-	-	-	-	-	-
Right issue	-	-	-	-	-	-	-	-
Transfer to Reserves during the period	-	-	-	-	-	-	-	-
Dividend paid	-	19,300	-	(57,901)	38,601	-	-	-
Profit transferred to head office	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Balance as at 31/12/2022	962,093	291,673	(46,022)	5,058,597	509,748	6,776,089	-	6,776,089

HDFC BANK OF SRI LANKA

Statement Of Cash Flows

Rs 000

For the year ended 31st December	Bank	
	2022	2021
Cash Flows From Operating Activities		
Interest Receipts	8,829,310	6,270,223
Interest payments	(4,866,918)	(3,206,698)
Net commission Receipts	249,245	280,116
Payments to Employee	(1,399,582)	(1,181,322)
VAT on Financial Services & SSCL	(373,986)	(253,468)
Receipt from other operating activities	46,198	60,888
Payments on other operating activities	(434,884)	(378,481)
Operating profit before changes in operating assets	2,049,383	1,591,257
(Increase)/Decrease In Operating Assets :		
Financial Assets at amortised cost - Loans and Advances	(440,739)	(887,575)
Other Assets	(174,813)	(71,588)
	(615,551)	(959,163)
Increase / (Decrease) In Operating Liabilities		
Financial Liabilities at amortised cost - due to Depositors	(334,501)	1,556,492
Financial Liabilities at amortised cost - due to Other Borrowers	(995,706)	(537,507)
Other Liabilities	(44,396)	(34,549)
	(1,374,604)	984,435
Net cash from operating activities before income tax	59,228	1,616,529
Income Tax Paid	(202,703)	(504,563)
Net cash from operating activities	(143,474)	1,111,967
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(144,487)	(93,978)
Proceeds from Sale property, Plant and equipment	504	899
Net Cash flows from Investments	377,543	(1,058,732)
Dividends received from investments	240	240
Net cash from Investing activities	233,799	(1,151,572)
Cash Flows From Financing Activities		
Dividends paid to shareholders	(9,190)	(7,688)
Net cash from financing activities	(9,190)	(7,688)
Net increase/(decrease) in cash & cash Equivalents	81,135	(47,293)
Cash & cash equivalents at beginning of the period	258,596	305,889
Cash & cash equivalents at the end of the period	339,730	258,596
Reconciliation Of Cash and Cash Equivalents		
Cash In Hand	170,216	149,324
Cash at Bank	169,515	109,272
	339,730	258,596

HDFC Bank of Sri Lanka
Analysis of Financial Instruments by Measurement Basis
As at 31st December 2022

In Rs."000"	Amortised Cost (AC)	Fair value through Profit or Loss (FVTPL)	Fair Value through Other Comprehensive Income (FVOCI)	Total
ASSETS				
Cash and cash equivalents	339,730	-	-	339,730
Placements with banks	29,599	-	-	29,599
Loans and advances	42,707,718	-	-	42,707,718
Debt and other instruments	17,182,622	-	-	17,182,622
Total financial assets	60,259,669	-	-	60,259,669
Other Assets	-	-	-	2,701,056
Total assets	60,259,669	-	-	62,960,725

In Rs."000"	Amortised Cost (AC)	Fair value through Profit or Loss (FVTPL)	Total
LIABILITIES			
Due to banks	1,053,088	-	1,053,088
Financial liabilities to Amortise cost			
- due to depositors	50,245,157	-	50,245,157
- due to debt security holders	1,423,966	-	1,423,966
- due to other borrowers	1,658,678	-	1,658,678
Total financial liabilities	54,380,888	-	54,380,888
Other Liabilities	-	-	1,803,748
Equity	-	-	6,776,089
Total liabilities & Equities	54,380,888	-	62,960,725

AC – Financial assets/liabilities measured at amortised cost

FVTPL – Financial assets/liabilities measured at fair value through profit or loss

FVOCI – Financial assets measured at fair value through other comprehensive income

HDFC Bank of Sri Lanka

**Analysis of Financial Instruments by Measurement Basis
As at 31st December 2021 (Audited)**

In Rs."000"	Amortised Cost (AC)	Fair value through Profit or Loss (FVTPL)	Fair Value through Other Comprehensive Income (FVOCI)	Total
ASSETS				
Cash and cash equivalents	258,596	-	-	258,596
Placements with banks	8,138,460	-	-	8,138,460
Loans and advances	41,836,922	-	-	41,836,922
Debt and other instruments	10,570,351	-	-	10,570,351
Total financial assets	60,804,328	-	-	60,804,328
Other Assets				2,159,263
Total assets	60,804,328	-	-	62,963,591

In Rs."000"	Amortised Cost (AC)	Fair value through Profit or Loss (FVTPL)	Total
LIABILITIES			
Due to banks	2,103,173	-	2,103,173
Financial liabilities to Amortise cost	-	-	-
- due to depositors	49,813,326	-	49,813,326
- due to debt security holders	1,422,978	-	1,422,978
- due to other borrowers	1,563,847	-	1,563,847
Total financial liabilities	54,903,325	-	54,903,325
Other Liabilities			1,706,750
Equity	-	-	6,353,516
Total liabilities & Equities	54,903,325	-	62,963,591

HDFC Bank of Sri Lanka
Analysis of Loan and Receivables
As at 31st December 2022

Product - Wise Gross Loans & Advances		
In Rs."000"	As at 31.12.2022	As at 31.12.2021 (Audited)
By Products - Domestic Currency		
Housing Loans Secured by Primary Mortgage Over Residential Properties	11,437,213	11,995,010
Housing Loans Against EPF.	13,632,657	12,476,337
Housing Loans on Guarantors & Others	7,260,838	7,727,668
Gold Loans	437,214	434,329
Business Loans	3,066,102	3,697,651
Lease Rentals receivables	759,105	939,135
Hire Purchase	2,523	2,541
Staff Loans	1,869,484	1,708,728
Cash Margin Loans	2,636,547	1,677,956
Interest & Other Receivables	3,574,543	2,912,855
Sub Total	44,676,226	43,572,210
By Products - Foreign Currency	-	-
Total	44,676,226	43,572,210

Product-Wise Commitments and Contingencies

By Product-Domestic Currency		
Guarantees	5,570	4,599
Bonds	-	-
Undrawn credit lines	199,374	645,426
Sub Total	204,944	650,025
By product - Foreign currency	-	-
Total	204,944	650,025

Stage-wise impairment on loans & advances, commitments and contingencies	As at 31.12.2022	As at 31.12.2021 (Audited)
Gross loans and advances, commitments and contingencies	44,881,170	44,222,235
Less: Accumulated impairment under stage 1	169,754	158,123
Accumulated impairment under stage 2	189,120	51,681
Accumulated impairment under stage 3	1,609,633	1,525,485
Total Impairment	1,968,507	1,735,288
Net value of loans and advances, commitments and contingencies	42,912,663	42,486,947

HDFC Bank of Sri Lanka

Analysis of Impairment , Customer Deposit & Debt Security Interest Rate As at 31st December 2022

Movement of impairment during the period	2022	2021
Under Stage 1		
Opening balance 01-01	158,123	108,035
Charge/(Write back) to income statement	11,632	50,088
Write-off during the year	-	-
Other movements	-	-
Closing balance	169,754	158,123
Under Stage 2		
Opening balance 01-01	51,681	53,539
Charge/(Write back) to income statement	137,439	(1,858)
Write-off during the year	-	-
Other movements	-	-
Closing balance	189,120	51,681
Under Stage 3		
Opening balance 01-01	1,525,485	1,283,370
Charge/(Write back) to income statement	84,148	242,115
Write-off during the year	-	-
Other movements	-	-
Closing balance	1,609,633	1,525,485
Total impairment	1,968,507	1,735,288

Due to Other Customers - By Product		
In Rs."000"	As at 31.12.2022	As at 31.12.2021 (Audited)
By Product - Domestic Currency		
Demand deposit(Current Accounts)	-	-
Savings deposits	7,942,922	8,541,830
Fixed deposits	42,302,235	41,271,496
Other deposits	-	-
Sub Total	50,245,157	49,813,326
By Product - Foreign Currency	-	-
Total	50,245,157	49,813,326

Debt security interest rate vs Government Security Interest rates

Debenture Type	Interest rate %		Gov. security Interest rate	
			%	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Debenture - 10Years- 2015(Fixed Annu. 2025)	12.00	12.00	28.50	9.96

Item	As at 31.12.2022	As at 31.12.2021
Regulatory Capital Adequacy		
Common Equity Tier 1 Capital Rs. Mn	6,154	6,185
Tier 1 Capital (CET1+AT1) Rs. Mn	6,404	6,435
Total Capital Base (Tier 1 Capital+Tier 2), Rs Mn	6,404	6,618
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Adequacy Ratio, as a percentage of Risk Weighted Assets (Minimum Requirement, 7.0%)	25.43%	21.51%
Tier 1 Capital Adequacy Ratio, as percentage of Risk Weighted Assets (Minimum Requirement, 8.5%)	26.47%	22.38%
Total Capital Adequacy Ratio, as a percentage of Risk Weighted Assets (Minimum Requirement, 12.5%)	26.47%	23.02%
Leverage Ratio (Minimum Requirement 3%)	10.26%	9.27%
Regulatory Liquidity		
Statutory Liquid Assets (LKR in Millions)	15,142	12,837
Statutory Liquid Assets Ratio (Minimum Requirement - 20%)		
Domestic Banking Unit	31.52%	26.60%
Off-Shore Banking Unit		
Total Stock of High-Quality Liquid Assets (LKR in Millions)	15,590	7,154
Liquidity Coverage Ratio (Minimum Requirement -90%)		
Rupee	334%	156%
All Currency		
Net Stable Funding Ratio - (Minimum Requirement - 90%)	199%	122.00%
Assets Quality (Quality of Loan Portfolio)		
Impaired Loans (Stage 3) Ratio %	37.88%	32.12%
Impairment (Stage 3) to Stage 3 Loans Ratio (%)	9.05%	10.19%
Impaired Loans (Stage 3) Ratio % - excluding EPF loans	21.63%	15.48%
Impairment (Stage 3) to Stage 3 Loans Ratio (%) -excluding EPF loans	18.74%	23.18%
Profitability		
Interest Margin	4.33%	4.93%
Return on Assets (before Tax)	1.10%	1.93%
Return on Equity	5.88%	9.02%
Debt/Equity (Times)	0.61	0.80
Interest Cover (Times)	3.08	5.02
Interest Yield	13.96%	11.10%

Financial Indicators	Share Price(Rs)		Debenture Issued 2015
	4th Quarter 31.12.2022	As at 31.12.2021	4th quarter 31.12.2022 (10 Year Fixed Annual debentures)
Market Price of shares/Debentures during the Quarter			
Highest Price Per Share/Debenture	37.50	36.30	N/T *
Lowest Price Per Share/Debentures	24.00	30.00	N/T *
Last Trading Price Per Share/Debentures	27.80	30.50	N/T *

* N/T - No Transaction

Listed Debenture Information

Yield to Maturity of Last Trade Done(% p. a)		
Quarter ended 31st December 2022	2022	2021
10 Years fixed Annual (12.00 p.a)	-	-

Notes to the Financial Statement

- The Statement of Financial Position as at 31.12.2022, the Income Statement, Statement of Comprehensive Income, the Statement of Cash Flow and the Statement of Changes in equity for the quarter ended, are drawn up from the unaudited accounts of the bank and provided the information required by the CSE and the CBSL and where required, provides additional disclosures to comply with LKAS 34, Interim Financial Reporting.
- These Financial statements have been prepared in accordance with the Sri Lanka Accounting Standard No 34, 'Interim Financial Reporting' and other applicable Sri Lanka Accounting Standards.
- No circumstances have arisen since the Statement of Financial Position date which would require adjustment to or disclosure in the interim financial statements for the quarter ended 31st December 2022.
- The Financial statements have been prepared in accordance with the accounting policies set out in the Annual Reports for the Year ended 31st Dec 2021.
- There have not been significant changes in the nature of the contingent liabilities that required disclosure in the interim financial statements for the quarter ended 31st December 2022.

6. Shares held by the twenty largest share holders of voting shares as at 31.12.2022

Share Holder Name	No of Share	%
1. National Housing Development Authority	32,180,000	49.73
2. L O L C Holdings Plc	9,707,740	15.00
3. Thurston Investments Limited	9,155,000	14.15
4. Sampath Bank PLC / Dr.T.Senthilvel	4,893,378	7.56
5. MS. S.N.C.W.M.T.R. KANDEGEDARA	335,822	0.52
6. Condominium Management Authority	300,000	0.46
6. Urban Development Authority	300,000	0.46
8. Dr R .R. De Silva	295,126	0.46
9. Seylan Bank PLC/ Senthilvel Holdings (Pvt) Ltd	267,047	0.41
10. Sampath Bank PLC/Mr.Arunasalam Sithampalam	258,054	0.40
11. FINCO HOLDINGS (PRIVATE) LIMITED	185,000	0.29
12. RAVI EXPORTS PRIVATE LIMITED	182,500	0.28
13. The Associated Newspapers of Ceylon Limited	180,000	0.28
14. Mr. D A DE Zoysa	170,000	0.26
15. Mr. S.N.C.W.M.B.C. KANDEGEDARA	139,568	0.22
16. Dr.S Yaddhegige	133,180	0.21
17. MR. S. ABISHEK	128,709	0.20
18.National Water supply & Drainage Board	120,000	0.19
18.Road Development Authority	120,000	0.19
18. State Engineering Corporation	120,000	0.19
Total	59,171,124	91.46

* The Public Holding percentage is 36.077% , No of Shares 23,345,637 and No of Shareholders 2,158.

7. Minimum Share Holders for compliance

OPTION - 5	MINIMUM SHARE HOLDERS FOR COMPLIANCE		
	Float-adjusted Market Capitalization	Public Holding Percentage	Number of public Shareholders
Minimum	Less Than 2.5 Bn	20%	500
Available	0.65	36.08%	2,158

8. Directors' & Chief Executive Officer's holding in shares and Debentures of the Bank at the end of 31.12.2022 are as follows.

Directors' & Chief Executive Officer's Name	No of Shares	No of Debentures
1.Mrs. R.M.R.W. Manchanayake	-	-
2.Mr. L.E.S. Silva	1,000	-
3.Mr. J.M.D. Ariyaratne (A. JAYAMAHA)	1,000	-
4.Mr. W.M. Ananda	-	-
5.Mr. P.A. Lionel	2,000	-
6.Mr. D.M.M.M. Wijayarathna	-	-
7.Mr. P.M.K.Hettiarachchi	-	-
8.Dr. K.Pathiraja (P.A. Krishantha)	1,000	-
9.Mr. R. Sooriyaarachchi	-	-
10.Mr. D.M.N.P. Karunapala (GM/CEO)	-	-
Total	5,000	-

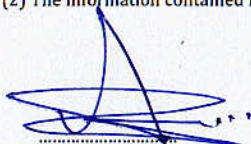
9. Number of shares representing the entity's stated capital - 64,710,520

CERTIFICATION:

We, the undersigned, being the Chief Executive Officer and Chief financial officer of HDFC Bank of Sri Lanka certify that :-

(1) The above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka & Colombo Stock Exchange.

(2) The information contained in these statements have been extracted from the unaudited financial statements of the bank unless indicated as audited.



Anura Hettiarachchi
Chief Financial Officer



D.M.N.P. Karunapala
General Manager / CEO

Signed for and on behalf of the Board of Directors, HDFC Bank of Sri Lanka



Mrs. R. M. R. W. Manchanayake
Chairman



P. M. K. Hettiarachchi
Director

Dated: 10 / 02 / 2023