

# Quarterly Performance

## Summary of the Statement of Profit or Loss

For the quarter ended	2017				2016			
	31 March LKR million	30 June LKR million	30 September LKR million	31 December LKR million	31 March LKR million	30 June LKR million	30 September LKR million	31 December LKR million
<b>Bank</b>								
Net interest income	13,534	14,856	14,717	14,284	12,738	12,285	13,353	15,581
Non-interest income	4,536	4,654	3,890	4,764	3,145	4,578	4,500	7,213
Non-interest expense	(6,645)	(7,062)	(8,107)	(7,616)	(6,196)	(8,600)	(9,586)	(7,161)
Impairment (charge)/reversal for loans and other losses	(1,790)	(4,418)	(3,221)	1,251	(572)	165	(252)	(3,738)
<b>Operating profit before VAT and NBT</b>	<b>9,635</b>	<b>8,030</b>	<b>7,279</b>	<b>12,683</b>	<b>9,115</b>	<b>8,428</b>	<b>8,015</b>	<b>11,895</b>
VAT and NBT on financial services	(1,727)	(1,782)	(1,424)	(2,331)	(1,268)	(1,478)	(1,427)	(2,091)
<b>Profit before income tax</b>	<b>7,908</b>	<b>6,248</b>	<b>5,855</b>	<b>10,352</b>	<b>7,847</b>	<b>6,950</b>	<b>6,588</b>	<b>9,804</b>
Income tax expense	(2,035)	(1,988)	(1,613)	(3,095)	(2,035)	(1,948)	(1,539)	(876)
<b>Profit after income tax</b>	<b>5,873</b>	<b>4,260</b>	<b>4,242</b>	<b>7,257</b>	<b>5,812</b>	<b>5,002</b>	<b>5,049</b>	<b>8,928</b>
Other comprehensive income	(345)	602	(478)	4,985	(1,075)	90	515	(610)
<b>Total comprehensive income</b>	<b>5,528</b>	<b>4,862</b>	<b>3,764</b>	<b>12,242</b>	<b>4,737</b>	<b>5,092</b>	<b>5,564</b>	<b>8,318</b>
<b>Group</b>								
Net interest income	14,207	15,630	15,561	15,103	13,370	12,893	14,004	16,339
Non-interest income	4,944	4,812	4,605	4,806	3,332	4,577	5,506	6,584
Non-interest expense	(7,537)	(7,664)	(9,428)	(8,105)	(6,982)	(9,224)	(11,002)	(8,546)
Impairment (charge)/reversal for loans and other losses	(1,778)	(4,446)	(3,403)	904	(586)	181	(251)	(3,764)
<b>Operating profit before VAT and NBT</b>	<b>9,836</b>	<b>8,332</b>	<b>7,335</b>	<b>12,708</b>	<b>9,134</b>	<b>8,427</b>	<b>8,257</b>	<b>10,613</b>
VAT and NBT on financial services	(1,768)	(1,827)	(1,468)	(2,387)	(1,288)	(1,514)	(1,453)	(2,122)
<b>Operating profit after VAT and NBT</b>	<b>8,068</b>	<b>6,505</b>	<b>5,867</b>	<b>10,321</b>	<b>7,846</b>	<b>6,913</b>	<b>6,804</b>	<b>8,491</b>
Share of profits/(losses) of associate companies, net of tax	6	24	7	12	1	41	36	(15)
<b>Profit before income tax</b>	<b>8,074</b>	<b>6,529</b>	<b>5,874</b>	<b>10,333</b>	<b>7,847</b>	<b>6,954</b>	<b>6,840</b>	<b>8,476</b>
Income tax expense	(2,089)	(2,056)	(1,640)	(3,193)	(2,066)	(2,022)	(1,573)	(1,070)
<b>Profit after income tax</b>	<b>5,985</b>	<b>4,473</b>	<b>4,234</b>	<b>7,140</b>	<b>5,781</b>	<b>4,932</b>	<b>5,267</b>	<b>7,406</b>
Other comprehensive income	(360)	824	(438)	5,090	(1,419)	202	632	(121)
<b>Total comprehensive income</b>	<b>5,625</b>	<b>5,297</b>	<b>3,796</b>	<b>12,230</b>	<b>4,362</b>	<b>5,134</b>	<b>5,899</b>	<b>7,285</b>

## Summary of the Statement of Financial Position

As at	2017				2016			
	31 March LKR million	30 June LKR million	30 September LKR million	31 December LKR million	31 March LKR million	30 June LKR million	30 September LKR million	31 December LKR million
<b>Bank</b>								
<b>Assets</b>								
Investments	523,202	488,503	543,637	573,022	526,305	514,882	506,561	462,198
Loans and advances to customers	1,050,661	1,112,641	1,114,794	1,166,274	869,096	875,036	901,114	1,000,083
Property, Plant and Equipment	16,495	17,153	17,599	23,526	16,738	16,758	16,943	16,147
Other assets	201,092	187,826	206,206	188,812	185,437	176,020	199,115	190,863
<b>Total assets</b>	<b>1,791,450</b>	<b>1,806,123</b>	<b>1,882,236</b>	<b>1,951,634</b>	<b>1,597,576</b>	<b>1,582,696</b>	<b>1,623,733</b>	<b>1,669,291</b>
<b>Liabilities and Equity</b>								
Due to customers	1,323,935	1,386,864	1,475,049	1,546,832	1,100,833	1,118,938	1,180,113	1,256,589
Debt securities and borrowed funds	345,510	291,176	279,086	265,249	383,596	342,641	327,844	296,967
Other liabilities	24,800	26,016	22,443	27,653	27,099	31,977	25,745	22,885
Equity	97,205	102,067	105,658	111,900	86,048	89,140	90,031	92,850
<b>Total liabilities and equity</b>	<b>1,791,450</b>	<b>1,806,123</b>	<b>1,882,236</b>	<b>1,951,634</b>	<b>1,597,576</b>	<b>1,582,696</b>	<b>1,623,733</b>	<b>1,669,291</b>
<b>Group</b>								
<b>Assets</b>								
Investments	523,933	490,322	545,897	574,811	527,895	516,347	508,330	463,078
Loans and advances to customers	1,079,606	1,143,386	1,146,540	1,197,427	894,477	900,380	927,338	1,027,768
Property, Plant and Equipment	30,220	30,784	31,361	37,236	26,886	26,789	26,913	29,992
Other assets	202,051	190,473	208,190	189,649	190,277	179,849	208,463	195,719
<b>Total assets</b>	<b>1,835,810</b>	<b>1,854,965</b>	<b>1,931,988</b>	<b>1,999,123</b>	<b>1,639,535</b>	<b>1,623,365</b>	<b>1,671,044</b>	<b>1,716,557</b>
<b>Liabilities and Equity</b>								
Due to customers	1,341,841	1,406,483	1,496,101	1,566,376	1,117,728	1,134,868	1,196,566	1,273,631
Debt securities and borrowed funds	355,646	303,570	291,023	276,852	392,084	350,434	341,515	310,067
Other liabilities	30,518	31,810	28,139	32,940	32,409	37,624	31,296	29,505
Equity	106,915	112,176	115,837	122,058	96,326	99,433	100,619	102,475
Non-controlling interest	890	926	888	897	988	1,006	1,048	879
<b>Total liabilities and equity</b>	<b>1,835,810</b>	<b>1,854,965</b>	<b>1,931,988</b>	<b>1,999,123</b>	<b>1,639,535</b>	<b>1,623,365</b>	<b>1,671,044</b>	<b>1,716,557</b>

## Summary of the Financial Measures

As at	2017				2016			
	31 March LKR million	30 June LKR million	30 September LKR million	31 December LKR million	31 March LKR million	30 June LKR million	30 September LKR million	31 December LKR million
<b>Bank</b>								
<b>Profitability</b>								
Interest margin (%)	3.1	3.3	3.2	3.2	3.2	3.2	3.2	3.3
Return on average assets (before tax) (%)	1.8	1.6	1.5	1.7	1.9	1.9	1.8	1.9
Return on average equity (after tax) (%)	24.7	20.8	19.3	21.1	27.8	25.3	24.7	28.4
<b>Investor Information</b>								
Interest cover (times)	2.2	2.2	2.2	2.5	2.4	2.3	2.2	2.3
Net assets value per share (LKR)	9,720	10,207	7,044	7,460	8,605	8,914	9,003	9,285
<b>Capital Adequacy Ratio</b>								
Core capital adequacy ratio, % (Tier 1)	8.5	8.3	8.6*	10.8*	8.9	8.3	7.6	8.7
Total capital adequacy ratio, % (Tier 1 + 2)	12.1	11.8	12.1*	14.6*	12.8	11.9	10.8	12.3
<b>Assets Quality</b>								
Gross non-performing advances ratio (%) (Net of interest in suspense)	3.2	3.3	3.3	2.9	3.8	3.5	3.4	2.9
Net non-performing advances ratio (%) (Net of interest in suspense and provisions)	0.8	0.7	0.5	0.3	1.4	1.1	1.2	0.4
<b>Regulatory Liquidity</b>								
Statutory liquid assets ratio								
– Domestic banking unit (%)	25.2	24.6	26.0	27.2	23.9	22.1	24.1	21.6
– Off shore banking unit (%)	29.1	22.1	22.3	21.9	35.5	39.8	35.0	28.1
<b>Group</b>								
<b>Profitability</b>								
Interest margin (%)	3.2	3.3	3.3	3.3	3.3	3.3	3.3	3.4
Return on average assets (before tax) (%)	1.8	1.6	1.5	1.7	1.9	1.8	1.8	1.8
Return on average equity (after tax) (%)	22.7	19.3	17.8	19.3	24.3	22.1	21.9	23.8
<b>Investor Information</b>								
Net assets value per share (LKR)	10,692	11,218	7,722	8,137	9,633	9,943	10,062	10,247
<b>Capital Adequacy Ratio</b>								
Core capital adequacy ratio, (%) (Tier 1)	8.6	8.4	8.9*	10.9*	9.2	8.5	8.0	8.8
Total capital adequacy ratio, (%) (Tier 1 + 2)	12.3	12.0	12.2*	14.5*	13.2	12.2	11.3	12.5

\* As per Basel III guidelines issued by the Central Bank of Sri Lanka.