

## Statement of Profit or Loss

For the year ended 31 December	Note	Bank			Group		
		2017 LKR '000	2016 LKR '000	Change %	2017 LKR '000	2016 LKR '000	Change %
<b>Total income</b>	7	<b>189,211,395</b>	<b>154,121,372</b>	<b>22.8</b>	<b>197,012,961</b>	<b>159,701,225</b>	<b>23.4</b>
Interest income		171,343,888	134,685,338	27.2	177,746,357	139,701,569	27.2
Less: Interest expenses		112,987,696	80,727,850	40.0	116,256,255	83,095,077	39.9
<b>Net interest income</b>	8	<b>58,356,192</b>	<b>53,957,488</b>	<b>8.2</b>	<b>61,490,102</b>	<b>56,606,492</b>	<b>8.6</b>
Fee and commission income		9,178,655	8,739,625	5.0	9,436,780	8,983,083	5.1
Less: Fee and commission expenses		1,883,302	1,520,190	23.9	1,972,374	1,607,271	22.7
<b>Net fee and commission income</b>	9	<b>7,295,353</b>	<b>7,219,435</b>	<b>1.1</b>	<b>7,464,406</b>	<b>7,375,812</b>	<b>1.2</b>
Net gains/(losses) from trading	10	2,802,048	2,061,616	35.9	2,822,168	2,037,390	38.5
Net gains/(losses) from financial instruments designated at fair value through profit or loss		–	–	–	–	–	–
Net gains/(losses) from financial investments	11	905,527	273,881	230.6	925,733	312,273	196.4
Other operating income	12	4,981,277	8,360,912	(40.4)	6,081,923	8,666,910	(29.8)
<b>Total operating income</b>		<b>74,340,397</b>	<b>71,873,332</b>	<b>3.4</b>	<b>78,784,332</b>	<b>74,998,877</b>	<b>5.0</b>
Less: Impairment charge/(reversal) for loans and other losses	13	9,340,658	4,396,761	112.4	9,884,889	4,421,000	123.6
<b>Net operating income</b>		<b>64,999,739</b>	<b>67,476,571</b>	<b>(3.7)</b>	<b>68,899,443</b>	<b>70,577,877</b>	<b>(2.4)</b>
<b>Less: Operating expenses</b>							
Personnel expenses	14	16,996,176	16,844,431	0.9	18,723,550	18,409,329	1.7
Other expenses	15	10,411,797	13,178,506	(21.0)	11,980,852	15,737,789	(23.9)
<b>Total operating expenses</b>		<b>27,407,973</b>	<b>30,022,937</b>	<b>(8.7)</b>	<b>30,704,402</b>	<b>34,147,118</b>	<b>(10.1)</b>
<b>Operating profit before Value Added Tax (VAT) and Nation Building Tax (NBT) on financial services</b>		<b>37,591,766</b>	<b>37,453,634</b>	<b>0.4</b>	<b>38,195,041</b>	<b>36,430,759</b>	<b>4.8</b>
Less: Value Added Tax (VAT) and Nation Building Tax (NBT) on financial services		7,248,786	6,264,949	15.7	7,431,502	6,376,679	16.5
<b>Operating profit after Value Added Tax (VAT) and Nation Building Tax (NBT) on financial services</b>		<b>30,342,980</b>	<b>31,188,685</b>	<b>(2.7)</b>	<b>30,763,539</b>	<b>30,054,080</b>	<b>2.4</b>
Share of profits/(losses) of associate companies, net of tax	16	–	–	–	52,024	62,952	(17.4)
<b>Profit before income tax</b>		<b>30,342,980</b>	<b>31,188,685</b>	<b>(2.7)</b>	<b>30,815,563</b>	<b>30,117,032</b>	<b>2.3</b>
Less: Income tax expense	17	9,030,696	6,397,689	41.2	9,328,918	6,731,105	38.6
<b>Profit for the year</b>		<b>21,312,284</b>	<b>24,790,996</b>	<b>(14.0)</b>	<b>21,486,645</b>	<b>23,385,927</b>	<b>(8.1)</b>
<b>Profit attributable to:</b>							
Equity holder of the Bank		21,312,284	24,790,996	(14.0)	21,470,163	23,496,656	(8.6)
Non-controlling interest		–	–	–	16,482	(110,729)	114.9
<b>Profit for the year</b>		<b>21,312,284</b>	<b>24,790,996</b>	<b>(14.0)</b>	<b>21,486,645</b>	<b>23,385,927</b>	<b>(8.1)</b>
<b>Earnings per share:</b>	18						
Basic earnings per share (LKR)		1,856.56	2,479.10	(25.1)	1,870.31	2,349.67	(20.4)
Diluted earnings per share (LKR)		1,414.36	2,439.01	(42.0)	1,424.84	2,311.67	(38.4)
Dividend per share (LKR)	18	1,075.52	1,734.64	(38.0)	1,075.52	1,734.64	(38.0)

The Notes to the Financial Statements from pages 160 to 302 form an integral part of these Financial Statements.