



HNB

INVESTOR UPDATE
9 M 2017

Bank PBT surpasses Rs 15 Bn

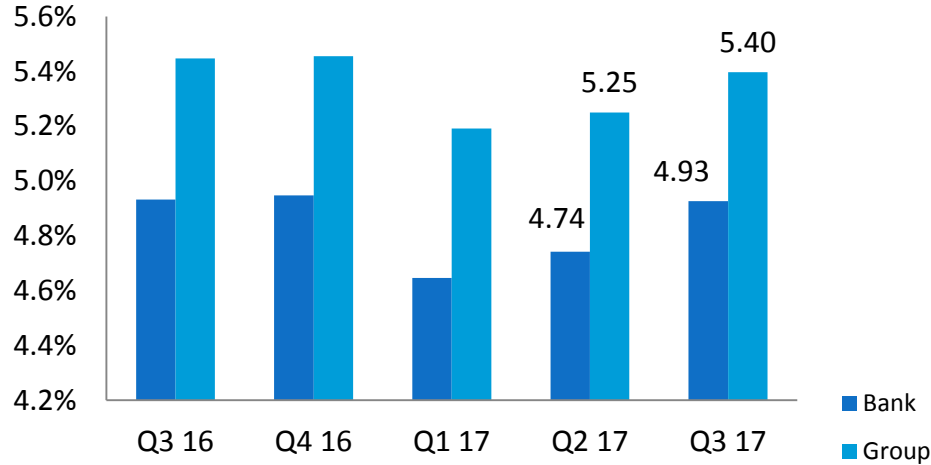
Rs Mn	9M 2017	9M 2016	% Change
Net Interest Income	29,606	24,940	18.7
Net Fee and Commission Income	6,131	5,094	20.4
Net gains from Trading & Financial Investments and Other Operating Income	214	1,002	-78.6
Operating Profit	35,951	31,036	16.0
Impairment Charges	2,287	147	1457.8
Operating Expenses	14,559	13,543	7.5
Profit Before VAT, NBT & Taxes	19,105	17,346	10.1
PBT	15,404	14,491	6.3
Tax	4,507	4,394	2.6
PAT	10,897	10,097	7.9

Highest PAT among private bank groups

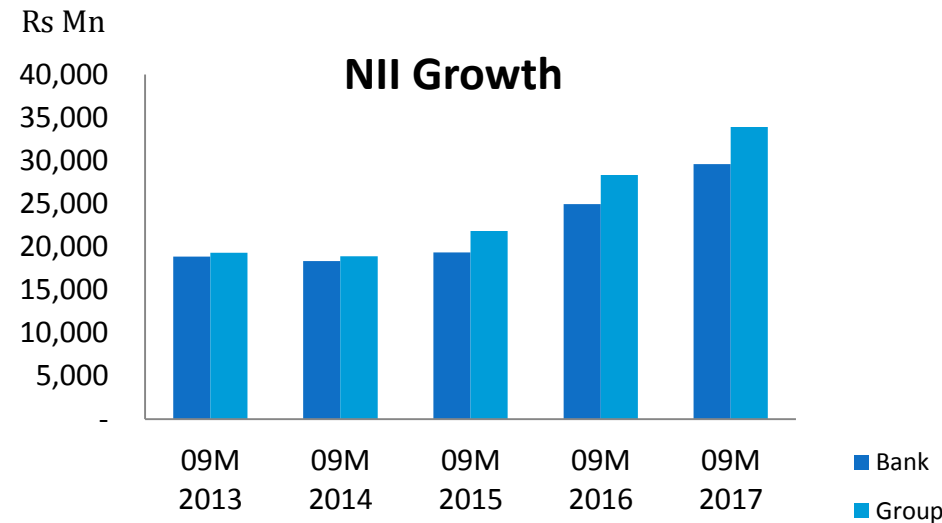
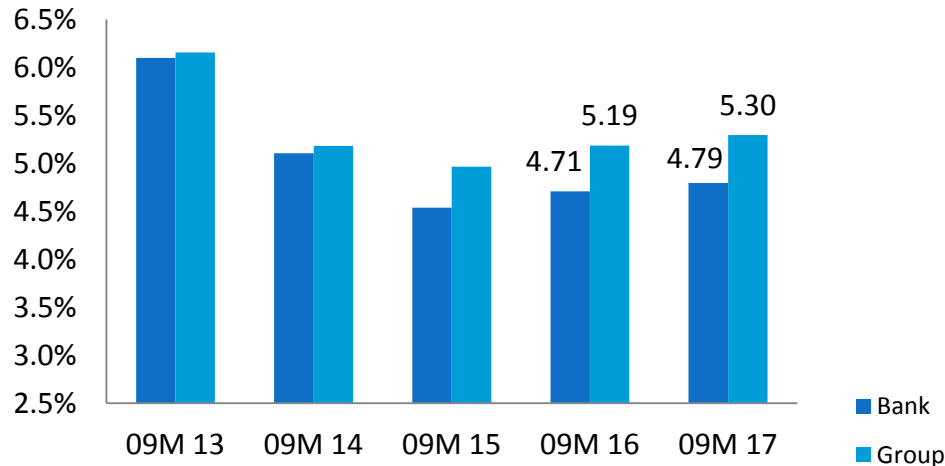
Rs Mn	9M 2017	9M 2016	% Change
Net Interest Income	33,888	28,350	19.5
Net Fee and Commission Income	6,694	5,533	21
Net gains from Trading & Financial Investments and Other Operating Income	-27	822	-103.3
Net Insurance Premium Income	4,638	4,038	14.9
Profit Before Impairment	45,194	38,742	16.7
Impairment Charges	2,906	258	1,027.20
Operating Expenses	21,638	19,396	11.6
Profit Before VAT, NBT & Taxes	20,650	19,089	8.2
PBT	16,765	16,123	4
Tax	4,960	4,892	1.4
PAT	11,805	11,232	5.1
PAT attributable to Equity holders	11,311	10,678	5.9

Sound Core Banking Performance

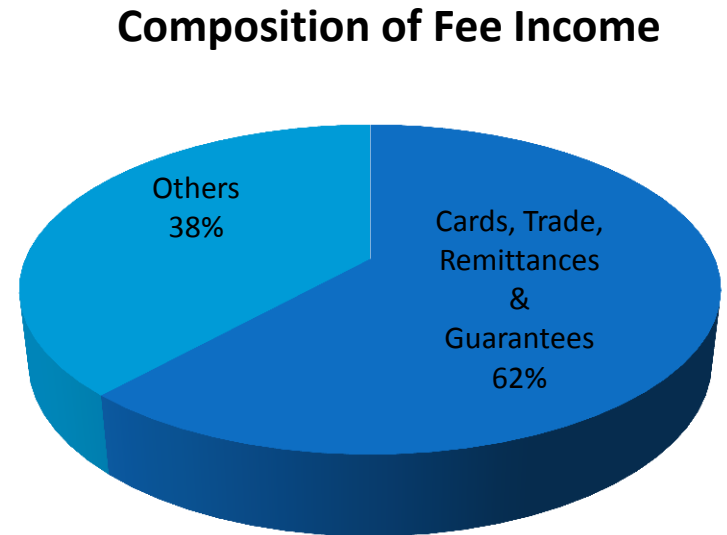
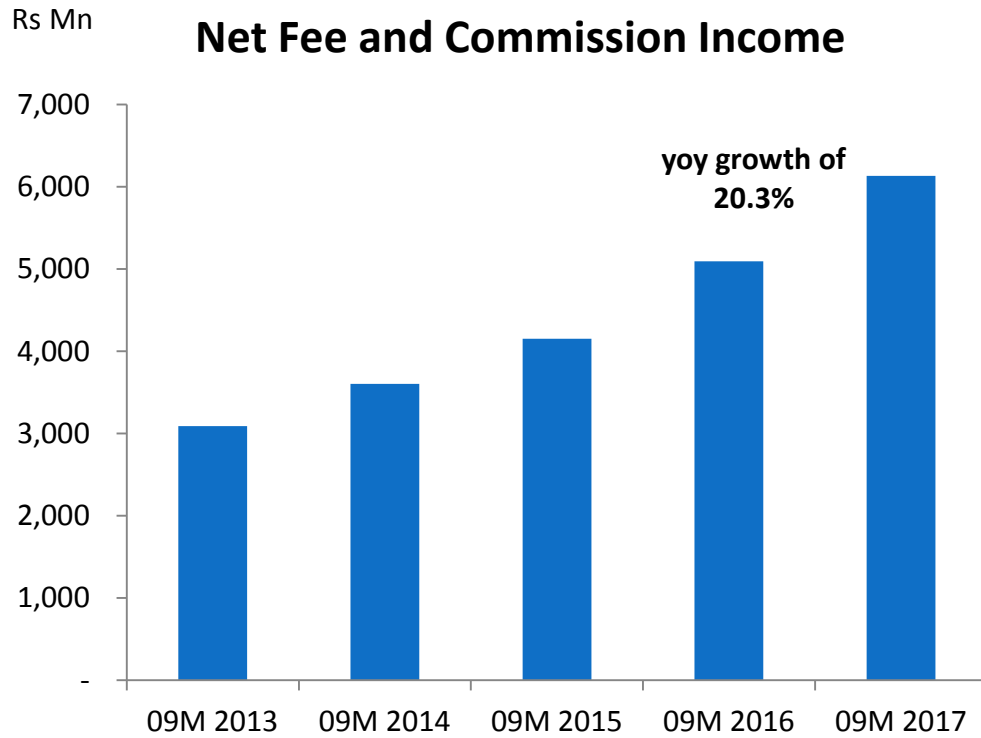
Quarterly NIM Performance



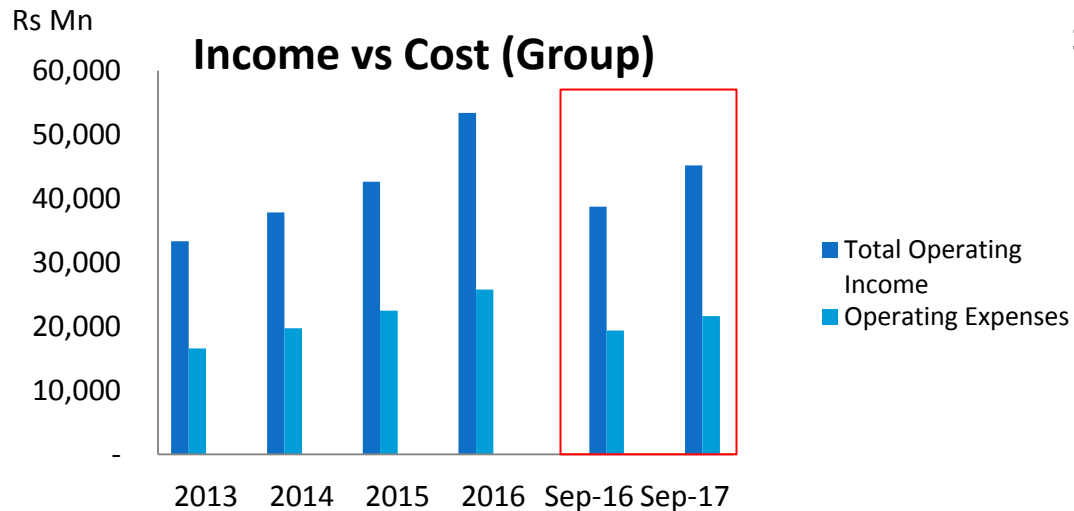
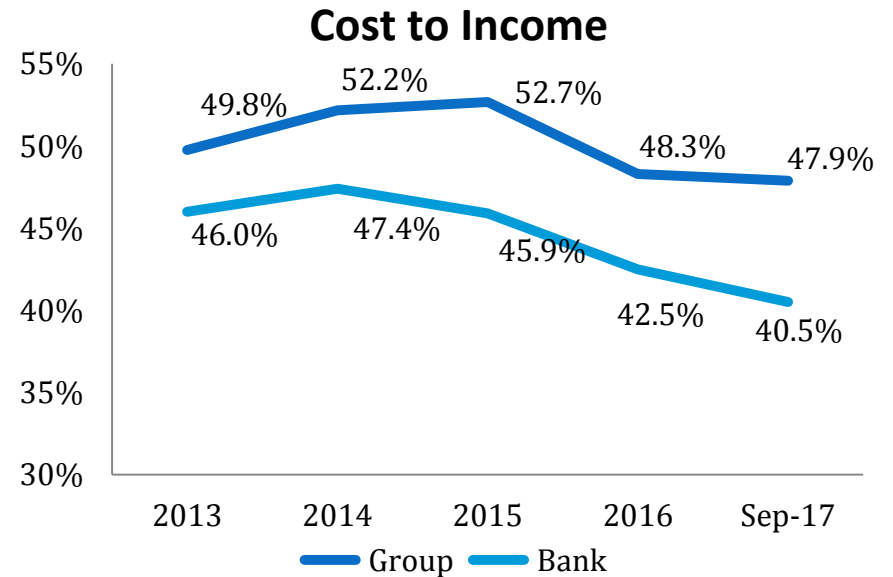
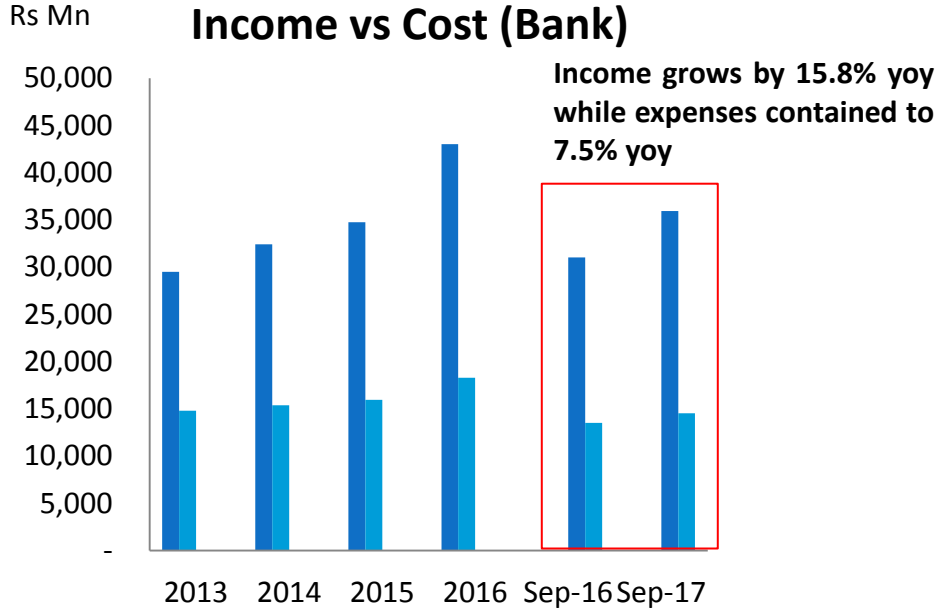
9 Month NIM Performance



Non Fund Income

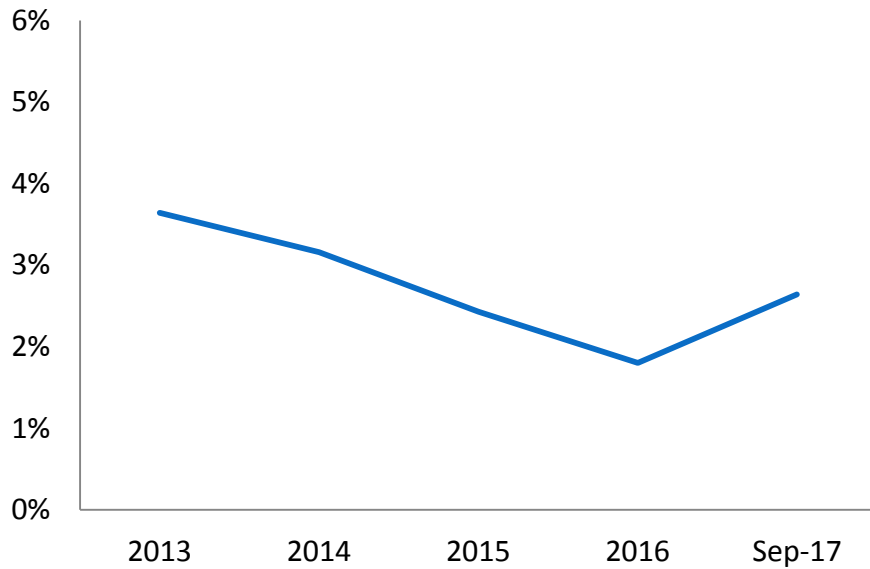


Relentless Pursuit of Efficiency

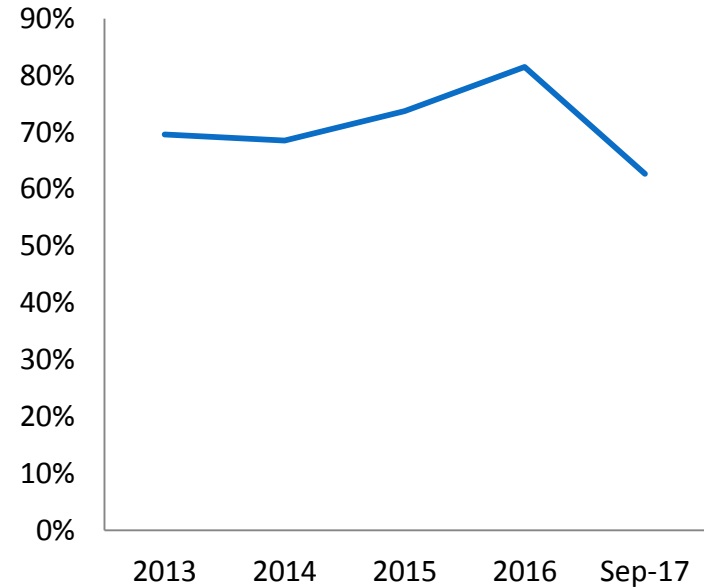


Asset Quality

Gross NPA Ratio

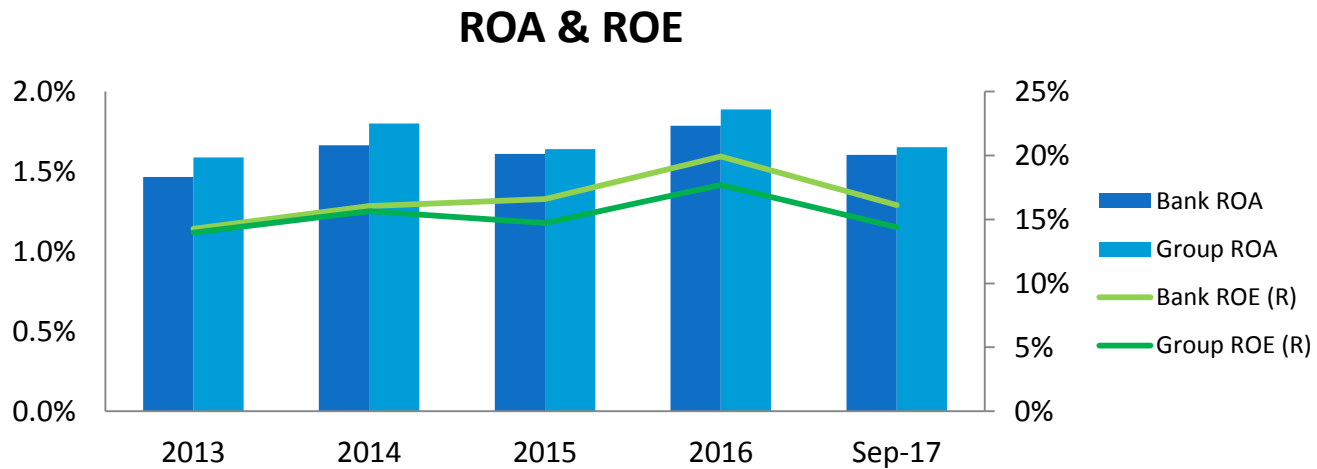
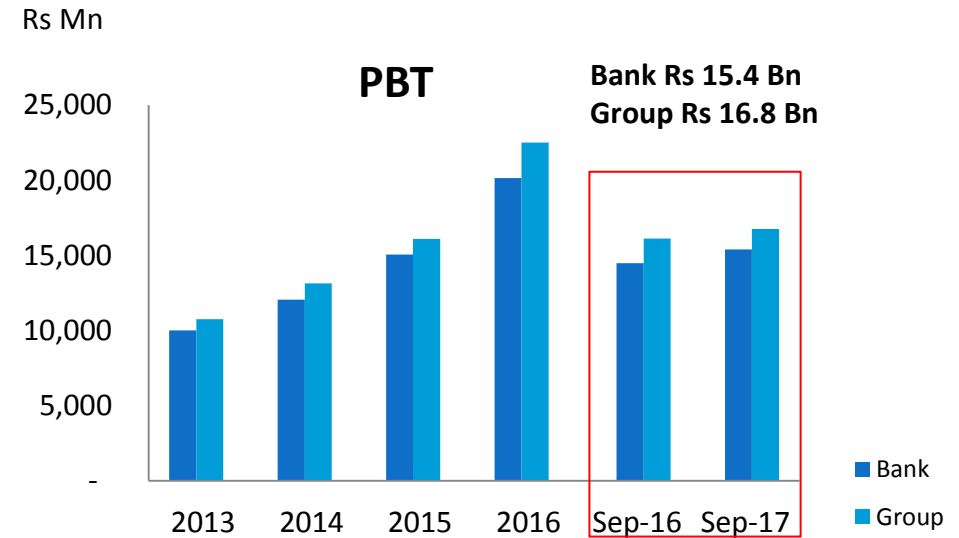
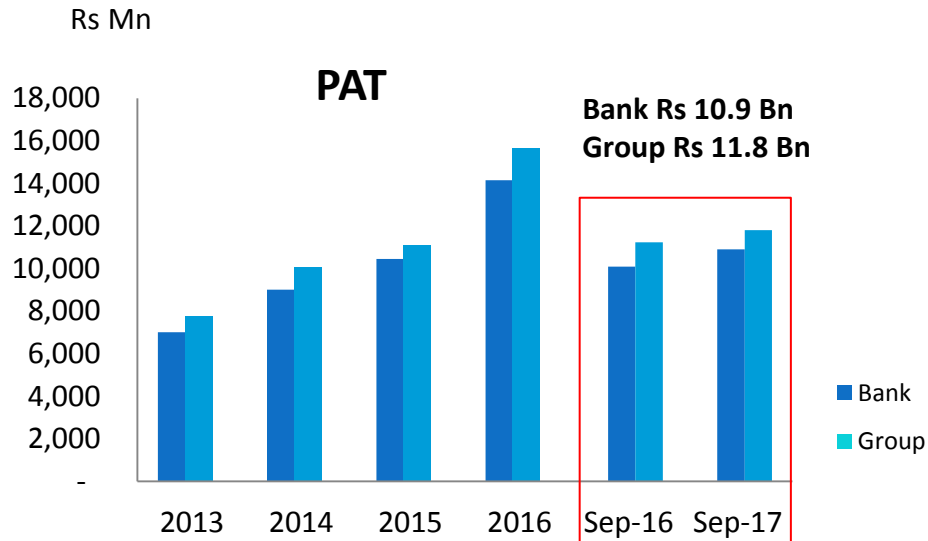


Provision Coverage



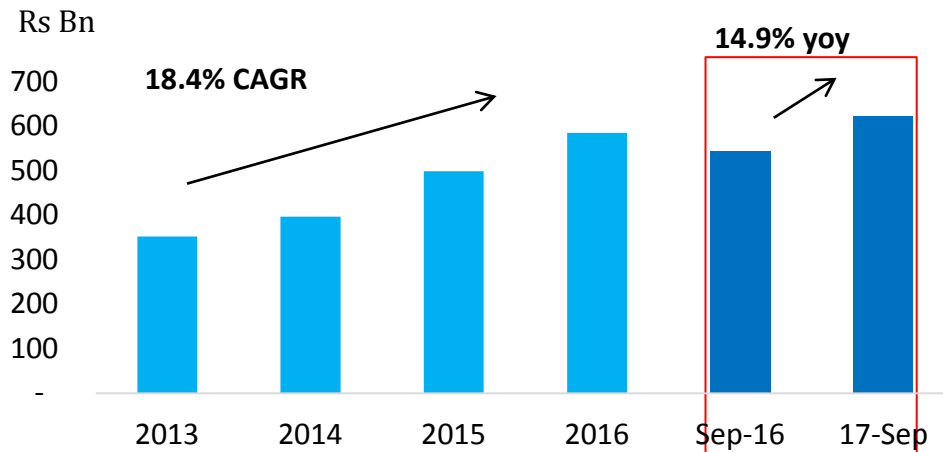
- Centralised collections centre
- Centralised disbursements
- Centralised documentation

Continuous Growth in Profits

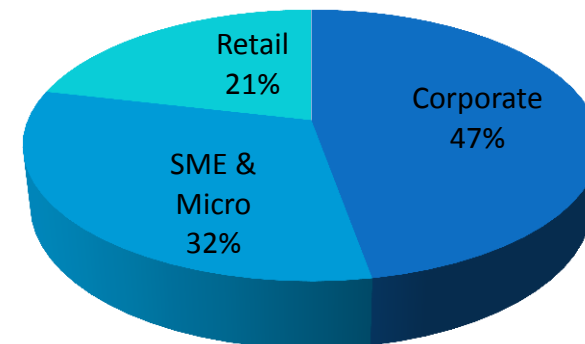


Prudent Balance Sheet Management

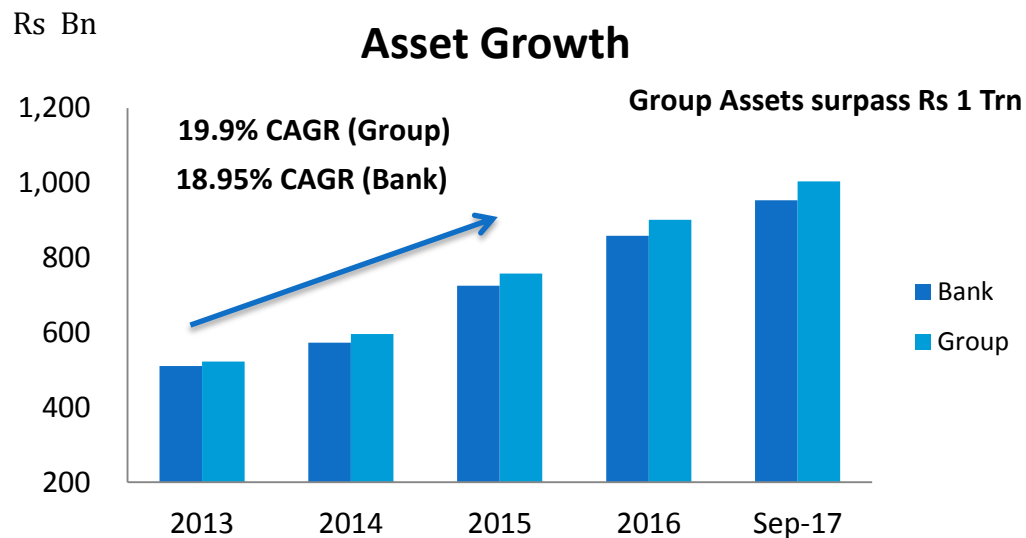
Net Loans and Advances



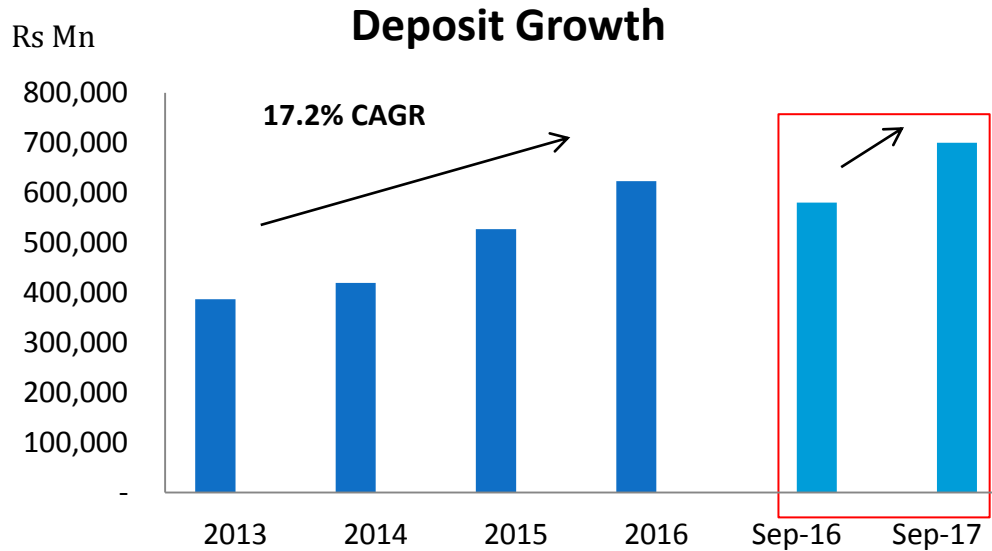
Segment Diversification



Asset Growth

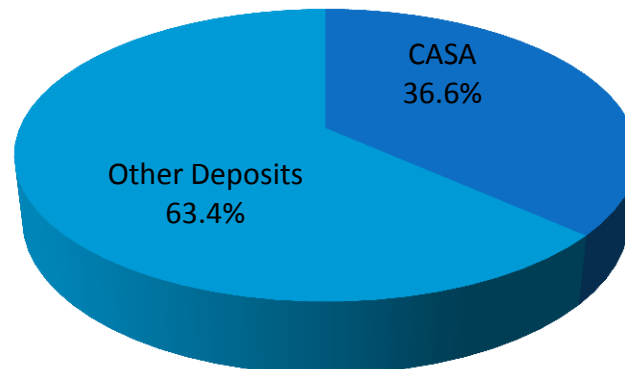


Robust deposit growth



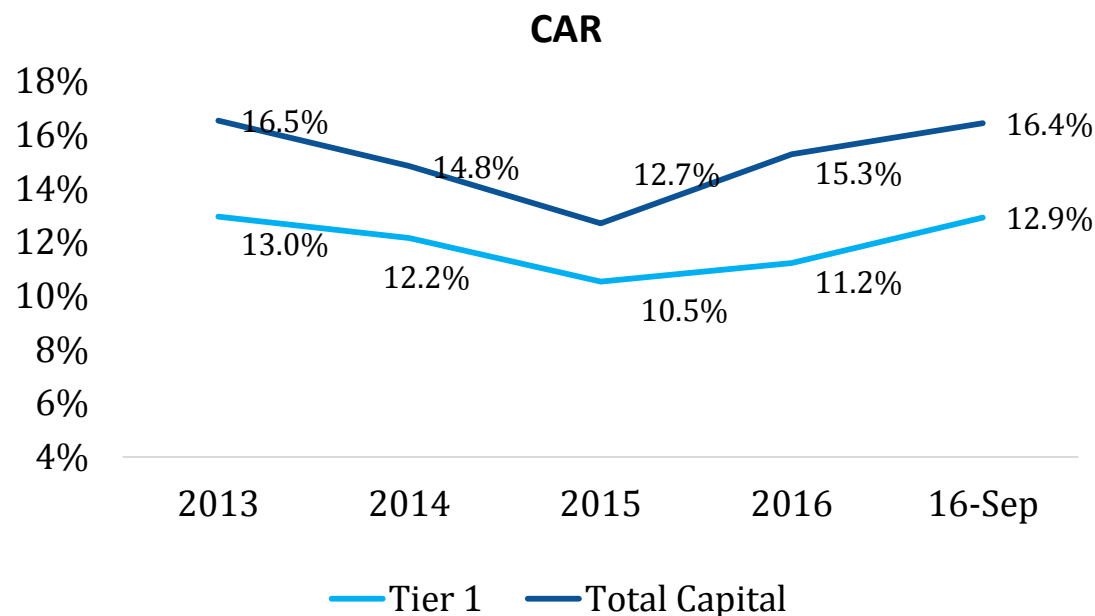
- Deposit Base of Rs 700 Bn
- 20.6% yoy growth vs. industry 19.7%

LKR CASA Ratio



- 15% yoy CASA growth of Rs 32 Bn

Strong Capital position



- **Strong capital base significantly above Basel III requirements**

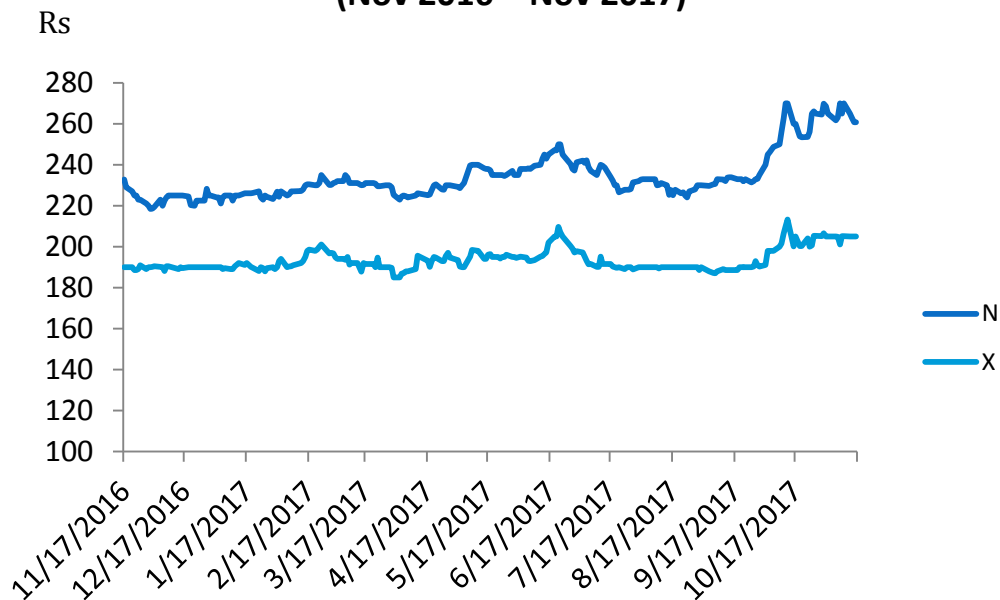
Tier I	12.91%	(against the statutory minimum of 6.25%)
Total Capital	16.42%	(against the statutory minimum of 11.75%)
- **Rs 14.5 Bn raised through the Rights Issue : Largest by a commercial Bank in Sri Lanka**

DuPont Analysis – 9M

	2017	2016	2017	2016
	Bank		Group	
Net Interest Income	4.36%	4.31%	4.74%	4.68%
Other Income	0.93%	1.05%	1.60%	1.74%
Net Income	5.29%	5.36%	6.34%	6.42%
Provisions	0.34%	0.03%	0.41%	0.04%
Operating Cost	2.14%	2.34%	3.03%	3.20%
Taxation	1.21%	1.25%	1.26%	1.32%
ROA	1.60%	1.74%	1.65%	1.86%
Minority Interest	-	-	0.07%	0.09%
Multiplier	10.06	11.26	9.09	10.17
ROE	16.12%	19.64%	14.39%	17.94%

Return to Shareholders

12 Month Share Price
(Nov 2016 – Nov 2017)



- Dividend per share : Rs 8.50
- Dividend yield (N) : 3.3%
- Dividend yield (X) : 4.2%
- Total Return (N) : 15.7%
- Total Return (X) : 12.4%
- ASPI gained by 1.65% over the period
- PBV : 1.1x

Awards and Accolades

THE ASIAN BANKER®
EXCELLENCE IN
RETAIL FINANCIAL SERVICES



'Best Retail Bank in Sri Lanka'
in 2017, for the 9th time

'Microfinance Product of the Year' for Asia Pacific by the 'Asian Banker' (2017)

'Best Bank for SME' in Sri Lanka

'Best Bank for CSR' in Sri Lanka

Gold Award - 'Deal of the Year'

Gold Award - 'Window/ Unit of the Year'

Bronze Award - 'Entity of the Year'

No. 3
The Highest Ranked Bank



ASIA
BEST EMPLOYER BRAND
AWARDS 2016 (7th Edition)



No. 2
The Highest Ranked Bank

'Best HR Strategy in line with Business 2016'

Asia Excellence In Training & Development Award 2016' (for the 5th consecutive year)

'Bronze Award' for 'Best Investor Relations'

Thank you