

Financial Performance

08 May 2019



**Asha Phillip
Securities Ltd**

Sri Lanka

Based on the interim financial statements for the period ended **31st March 2019** LKR Mn

SEYLAN BANK PLC (SEYB.N)				Sector:			BANKS		
	Q1 FY 19	Q1 FY 18	Change	Q4 FY 18	Q4 FY 17	Change	FY 2018	FY 2017	Change
Interest income	13,629.8	11,472.5	19%	13,604	11,518	18%	49,230	43,555	13%
Interest expenses	9,134.5	7,180.1	27%	8,864	7,373	20%	31,440	27,980	12%
Net interest income	4,495.2	4,292.4	5%	4,741	4,145	14%	17,790	15,575	14%
Fee & commission	1,020.3	1,043.7	-2%	1,162	1,093	6%	4,252	3,953	8%
Impairment charge	589.2	982.2	-40%	1,552	65	2300%	3,475	1,505	131%
Personnel expenses	1,579.4	1,513.2	4%	1,439	1,249	15%	5,817	5,229	11%
Other expenses	1,371.4	1,274.4	8%	1,245	1,238	1%	5,165	4,899	5%
Additional gratuity	-	-		1,135	-		1,135	-	
VAT, NBT, DRL	736.4	444.1	66%	642	597	8%	2,113	1,885	12%
Income tax expense	434.7	411.5	6%	(44)	828	-105%	1,536	2,281	-33%
Profit for the period	825.5	762.5	8%	50	1,462	-97%	3,151	5,004	-37%
Profit-Equity Holders	817.4	755.9	8%	47	1,452	-97%	3,137	4,817	-34.9%
Earnings per share	2.16	2.00	8%	0.12	3.84	-97%	8.31	12.75	-34.9%
CMP (LKR)	NAV (LKR)	Trail EPS	Trail P/E	FWD EPS	FWD P/E	Sector PE	PBV	Sector PBV	
53.00	99.21	8.47	6.3	8.66	6.1	4.6	0.5	0.6	
Total Assets (Mn)	478,308	Equity (Mn)		37,474	No.of. Shares in Issue (Mn)		377.72		
ROA - FY 18	0.66%	ROE - FY 18		8.37%	Asset / Equity ratio		12.76		
Dividend	2.50	Payout Ratio		30.10%	Dividend Yield		4.7%		

Segmental Analysis (LKR Mn)	Rev Q1 19	Rev Q1 18	Change	Asset	Change	Result Q1 19	Result Q1 18	Change
Banking	11,201	9,507	18%	330,545	-2%	614	880	-30%
Treasury	1,738	1,409	23%	119,669	14%	793	510	55%
Property/ Investments	8	26	-69%	5,700	3%	59	69	-13%
Unallocated/ Eliminations	683	531	29%	22,394	173%	(206)	(285)	28%

Notes:

- Loans & advances portfolio of the Bank recorded a growth of 3.26% to LKR 337.5Bn in Q1 amidst rising interest rates. The growth in credit was driven primarily by Term loans, refinance loans & revolving import loans.
- The overall deposit base recorded a growth of 2.65% to LKR 367Bn by Q1 while Bank's CASA ratio (Current and Savings) stood 28.81%. Further the total Time Deposits increased to 71.19% of the total deposits base.
- Bank opened two branches in Padukka and Godakawela which add up to 172 Banking Centers and 210 ATMs as end of 1Q 2019.

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UNION BANK OF COLOMBO PLC (UBC.N)				Sector:			BANKS		
	Q1 FY 19	Q1 FY 18	Change	Q4 FY 18	Q4 FY 17	Change	FY 2018	FY 2017	Change
Interest income	3,817.3	3,398.8	12%	3,712.2	3,330.0	11%	14,120.9	12,194.0	16%
Interest expenses	2,598.5	2,357.8	10%	2,588.6	2,417.8	7%	9,655.4	8,492.4	14%
Net interest income	1,218.8	1,041.0	17%	1,123.6	912.2	23%	4,465.5	3,701.6	21%
Fee & commission	295.9	272.9	8%	303.7	262.7	16%	1,120.2	972.7	15%
Impairment charge	107.3	125.7	-15%	236.7	86.2	175%	576.3	377.5	53%
Personnel expenses	521.7	488.1	7%	508.4	453.5	12%	2,058.9	1,816.4	13%
Other expenses	472.3	474.1	0%	430.1	470.6	-9%	1,791.6	1,613.0	11%
VAT, NBT and DRL	176.8	115.3	53%	157.3	78.1	101%	521.8	348.2	50%
Income tax expense	105.4	37.9	178%	80.0	(23.6)	439%	358.8	126.2	184%
Profit for the period	119.1	153.7	-22%	88.2	141.0	-37%	534.7	551.1	-3%
Profit-Equity Holders	117.6	141.4	-17%	93.0	130.4	-29%	517.8	514.8	0.6%
Earnings per share	0.11	0.13	-17%	0.09	0.12	-29%	0.47	0.47	0.6%
CMP (LKR)	NAV (LKR)	Trail EPS	Trail P/E	FWD EPS	FWD P/E	Sector PE	PBV	Sector PBV	
11.50	15.18	0.45	25.4	0.43	26.7	4.6	0.8	0.6	
Total Assets (Mn)	134,065	Equity (Mn)		16,568	No. of Shares in Issue (Mn)		1091.41		
ROA - FY 18	0.39%	ROE - FY 18		3.13%	Asset / Equity ratio		8.09		
Dividend	-	Payout Ratio		-	Dividend Yield		-		

Segmental Analysis (LKR Mn)	Rev Q1 19	Rev Q1 18	Change	Asset	Change	Result Q1 19	Result Q1 18	Change
Corporate	1,122	868	29%	37,908	18%	36	57	-37%
Treasury	1,081	830	30%	34,794	31%	503	474	6%
SME	868	855	2%	24,972	4%	(97)	(106)	8%
Retail	1,498	1,241	21%	14,996	14%	(122)	(201)	39%
Other Group Companies	311	520	-40%	16,991	-28%	82	82	-0.3%

Notes:

- The Increase in the effective tax rate was due to the withdrawal of tax exemptions on profits earned on investments in Sri Lanka Development bonds, investments in units, investments in debentures and also due to introduction of Debt Repayment Levy. In addition, the withdrawal of notional tax credit further impacted the effective tax rate.
- The Bank's loans and receivables stood at LKR 76.3Bn and was a 3% growth YTD. The deposits base was LKR 77.9Bn. Loan to Deposit ratio improved to 99% from 105% reported in the comparative period last year.
- The net NPL ratio of the Bank stood at 3.1% at the end of the reporting period.
- Total CASA grew to LKR 20Bn which translated to a growth of 22% YoY. Maintaining a healthy CASA inflow was supported through focused acquisition strategies driven by Retail, Corporate and SME banking segments.

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Based on the interim financial statements for the period ended **31st March 2019** LKR Mn

CHEVRON LUBRICANTS LANKA PLC (LLUB.N)					Sector:		MATERIALS		
	Q1 FY 19	Q1 FY 18	Change	Q4 FY 18	Q4 FY 17	Change	FY 2018	FY 2017	Change
Revenue	3,265.0	2,979.5	10%	2,214.0	2,806.5	-21%	10,861	11,052	-2%
Cost of sales	2,049.5	1,715.1	19%	1,459.9	1,684.3	-13%	6,769	6,312	7%
Gross profit	1,215.5	1,264.3	-4%	754.2	1,122.2	-33%	4,092	4,741	-14%
Distribution exp	199.1	146.3	36%	163.8	206.1	-21%	637	659	-3%
Administrative exp	179.7	157.4	14%	225.0	179.3	26%	720	681	6%
Operating profit	837.1	961.0	-13%	368.0	737.0	-50%	2,743	3,406	-19%
Finance income	17.3	10.2	70%	(4.2)	22.3	-119%	22	95	-77%
Finance costs	11.0	0.7	1568%	0.2	0.8	-76%	5	5	0%
Income tax expense	240.4	273.2	-12%	96.5	209.3	-54%	768	931	-17%
Profit for the period	603.1	697.4	-14%	267.1	549.2	-51%	1,992	2,565	-22.4%
Earnings per share	2.51	2.91	-14%	1.11	2.29	-51%	8.30	10.69	-22.4%
CMP (LKR)	NAV (LKR)	Trail EPS	Trail P/E	FWD EPS	FWD P/E	Sector PE		PBV	Sector PBV
56.00	17.33	7.91	7.1	10.05	5.6	7.5		3.2	0.8
Total Assets (Mn)	6,228.2	Equity (Mn)		4159.2	No.of. Shares in Issue (Mn)				240.0
ROA - FY 18	32%	ROE - FY 18		47.9%	Asset / Equity ratio				1.50
Dividend	8.00	Payout Ratio		96.39%	Dividend Yield				14.3%

Based on the interim financial statements for the period ended **31st March 2019** LKR Mn

ALUMEX PLC (ALUM.N)					Sector:		MATERIALS		
	Q4 FY 18	Q4 FY 17	Change	Q3 FY 18	Q3 FY 17	Change	FY 2018	FY 2017	Change
Net Revenue	1,477	1,299	14%	1,284	1,101	17%	5,031	4,422	14%
Cost of sales	1,120	938	19%	1,056	820	29%	3,878	3,362	15%
Gross profit	357	361	-1%	228	282	-19%	1,153	1,060	9%
Other income	5.4	9.5	-43%	1.8	7.3	-75%	9.8	29.5	-67%
Distribution exp	48.5	49.8	-3%	68.7	46.8	47%	219.8	171.0	29%
Administrative exp	92.1	60.6	52%	82.9	83.1	0%	349.0	273.0	28%
Net finance costs	95.3	48.0	99%	146.6	28.9	408%	417.3	131.0	218%
Profit before tax	126.9	212.5	-40%	(68.2)	130.4	-152%	176.8	514.7	-66%
Income Tax	29.8	77.0	-61%	(4.8)	28.1	-117%	50.4	150.4	-67%
Profit for the period	97.1	135.5	-28%	(63.4)	102.3	-162%	126.5	364.4	-65.3%
Earnings per share	0.32	0.45	-28%	(0.21)	0.34	-162%	0.42	1.22	-65.3%
CMP (LKR)	NAV (LKR)	Trail EPS	Trail P/E	FWD EPS	FWD P/E	Sector PE		PBV	Sector PBV
9.30	7.86	0.42	22.0	0.42	22.0	7.5		1.2	0.8
Total Assets (Mn)	6,977	Equity (Mn)		2,353	No.of. Shares in Issue (Mn)				299.30
ROA - FY 18	1.81%	ROE - FY 18		5.37%	Asset / Equity ratio				2.96
Dividend	0.15	Payout Ratio		35.50%	Dividend Yield				1.6%

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HAYLEYS FIBRE PLC (HEXP.N)				Sector: CONSUMER DURABLES & APPAREL					
	Q4 FY 18	Q4 FY 17	Change	Q3 FY 18	Q3 FY 17	Change	FY 2018	FY 2017	Change
Revenue	178	199	-11%	190	134	42%	886	563	57%
Cost of Sales	140	165	-15%	166	124	34%	761	490	55%
Gross Profit	38	34	12%	24	10	133%	125	73	71%
Other Income	70.8	1.1	6589%	2.9	1.2	140%	77.8	5.0	1469%
Administrative Exp	17.0	10.7	59%	16.1	11.2	44%	65.5	44.4	47%
Distribution Exp	0.05	0.5	-92%	2.3	0.1	2524%	5.8	2.1	171%
Other Expenses	66.7						66.7		
Net Finance Income	11.6	17.2	-33%	16.1	12.2	33%	59.1	56.2	5%
Share of Profit	10.5	9.5	11%	15.4	6.3	142%	54.1	32.9	65%
Profit before tax	47.3	50.5	-6%	40.3	18.9	114%	178.1	120.3	48%
Income Tax	18.3	13.7	34%	5.9	1.7	260%	32.9	19.4	70%
Profit for the period	29.0	36.8	-21%	34.4	17.2	100%	145.1	101.0	43.8%
Earnings per share	3.63	4.60	-21%	4.30	2.15	100%	18.14	12.62	43.8%
CMP (LKR)	NAV (LKR)	Trail EPS	Trail P/E	FWD EPS	FWD P/E	Sector PE		PBV	Sector PBV
80.00	112.50	18.14	4.4	18.14	4.4	35.6		0.7	0.9
Total Assets (Mn)	1150	Equity (Mn)		900	No.of. Shares in Issue (Mn)		8.00		
ROA - FY 18	12.62%	ROE - FY 18		16.13%	Asset / Equity ratio		1.28		
Dividend	6.00	Payout Ratio		33.07%	Dividend Yield		7.5%		

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