

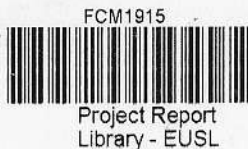
**THE IMPACT OF QUALITY OF SUSTAINABILITY
REPORTING ON THE FINANCIAL PERFORMANCE OF
COMPANIES IN BANK, FINANCE AND INSURANCE SECTOR
IN SRI LANKA.**



BY

**PUNCHIHEWAGE NERANGIKA AYODYA PUNCHIHEWA
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**Department of Commerce
Faculty of Commerce and Management
Eastern University, Sri Lanka**

ABSTRACT

Sustainability Reporting is an emerging trend in the world so as in Sri Lanka. The objectives of this study is to find out the level of quality in sustainability reporting, the relationship between quality of sustainability reporting and financial performance, and to examine the impact of quality of sustainability reporting on the financial performance of companies in the Bank, Finance and Insurance Sector in Sri Lanka. The study used primary data in a way of a questionnaire survey from 100 respondents and secondary data on financial ratios collected from 20 companies covering the period from 2012 to 2016. The various components for measuring the Quality of Sustainability Reporting included Balance, Comparability, Accuracy, Timeliness, Clarity and Reliability and also financial performance included return on assets. Descriptive Statistics, Pearson's Correlation and multiple regression are used for analyzing this research. All these tests are used so as to correlate the theories contributed by the literature by several authors with the statistical results.

The results depict that, there is a moderate level of Quality of sustainability reporting, with a weak positive relationship between the Quality of Sustainability Reporting and the Financial Performance of the bank, finance and insurance companies in Sri Lanka. This indicates that, if the Quality of sustainability Reporting increases, it would tend to increase the financial performance of the company. And the Quality of sustainability reporting has a positive and significant influence over the financial performance of the companies.

Finally, the results confirm the framework and models tested in the study on more recent data and also suggest that quality of sustainability reporting rather than mere quantity has a stronger effect on the financial performance and the perception amongst managerial, external and investor stakeholder groups.

Key words: Sustainability Reporting, Quality, Balance, Comparability, Accuracy, Timeliness, Clarity, Reliability, Financial Performance, Bank, Finance and Insurance Companies.

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