

# NATIONAL SAVINGS BANK

## **FINANCIAL STATEMENTS**

**AAA**(Ika)

First Sri Lankan Bank to be rated AAA

### For the six months ended 30<sup>th</sup> June, 2016

INCOME	STATEM	IENT			
	Ba	ank	Grou	)	
For the six months ended 30th June 2016	2016 Rs. '000	2015 Rs. '000	2016 Rs. '000	2015 Rs. '000	
Income	40,737,807	39,242,250	41,016,386	39,556,922	
Interest income Interest expenses	40,821,387 (27,742,446)	38,970,943 (25,057,528)	41,155,195 (27,964,959)	39,265,659 (25,223,972)	
Net interest income Fee and commission income Fee and commission expenses	<b>13,078,941</b> 290,888 (68,780)	<b>13,913,415</b> 186,081 (21,624)	<b>13,190,236</b> 291,348 (69,433)	<b>14,041,687</b> 186,161 (21,986)	
Net fee and commission income Net gain/(loss) from trading Net gain/(loss) from financial instruments designated at fair value through profit or loss	<b>222,108</b> (454,819)	<b>164,457</b> (22,304)	<b>221,915</b> (509,571)	<b>164,175</b> 12,909	
Net gain/(loss) from financial investments Other operating income (net)	37,155 43,196	3,263 104,267	37,155 42,259	3,263 88,930	
Total operating income Impairment for loans and other losses Individual impairment	12,926,581	14,163,098	12,981,994	14,310,964	
Collective impairment	191,387	(1,303,142)	191,387	(1,303,142)	
Net operating income Personnel expenses Depreciation and amortization Other expenses	<b>13,117,968</b> (3,252,871) (155,873) (1,823,859)	<b>12,859,956</b> (3,125,294) (149,044) (2,129,835)	<b>13,173,381</b> (3,266,822) (156,185) (1,814,811)	<b>13,007,822</b> (3,136,147) (149,164) (2,111,608)	
Operating profit/(loss) before Value Added Tax (VAT)	(-,,)	(_,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	(1,01,011)	(_,,,	
and Nation Building Tax (NBT) Value Added Tax on financial services Nation Building Tax on financial services	<b>7,885,364</b> (1,198,205) (192,820)	<b>7,455,782</b> (1,023,122) (186,022)	<b>7,935,562</b> (1,206,992) (193,905)	<b>7,610,902</b> (1,037,339) (189,073)	
Operating profit/(loss) after Value Added Tax (VAT) and Nation Building Tax (NBT) Share of profits of associates and joint ventures	6,494,340	6,246,638	6,534,666	6,384,490	
Profit/(loss) before tax Income tax expenses	<b>6,494,340</b> (1,714,032)	<b>6,246,638</b> (2,391,645)	<b>6,534,666</b> (1,727,964)	<b>6,384,490</b> (2,434,276)	
Profit/(loss) for the period	4,780,308	3,854,993	4,806,702	3,950,214	
Profit attributable to: Equity holders of the Bank Non-controlling interests	4,780,308	3,854,993	4,806,702	3,950,214	
Earnings per share on profit Earnings per ordinary share - Basic (Rs.) Earnings per ordinary share - Diluted (Rs.)	14.94 14.94	12.05 12.05	15.02 15.02	12.34 12.34	
STATEMENT OF CO	MPREHE	ENSIVE INCO	ME		
	I	Bank	Gro	oup	

	I	Bank	Group		
For the six months ended 30th June 2016	2016 Rs. '000	2015 Rs. '000	2016 Rs. '000	2015 Rs. '000	
Profit for the period	4,780,308	3,854,993	4,806,702	3,950,214	
Other comprehensive income, net of taxes					
Other comprehensive income to be reclassified to Income Statement					
Net gains/(losses) on cash flow hedges	(139,106)	5,503	(139,106)	5,503	
Gains/(losses) on re-measuring available-for-sale financial assets Fair value gains transferred to the Income Statement on disposal	(309,238)	66,221	(421,295)	(41,691)	
of available-for-sale financial assets	40,723	(2,775)	40,723	(2,775)	
Total other comprehensive income to be reclassified to Income Statement	(407,621)	68,949	(519,678)	(38,963)	
Other comprehensive income not to be reclassified to Income Statement					
Net gains/(losses) on revaluation of Property, Plant and Equipment	-	-	-	-	
Actuarial gains/(losses) on retirement benefit plans	-	-	403	-	
Total other comprehensive income not to be reclassified to Income Statement	-	-	403	-	
Other comprehensive income for the period, net of taxes	(407,621)	68,949	(519,275)	(38,963)	
Total comprehensive income for the period	4,372,687	3,923,942	4,287,427	3,911,252	
Attributable to:					

STATEMENT OF FINANCIAL POSITION							
	B	ank	Gro	пр			
	As at 30.06.2016 Rs. '000	As at 31.12.2015 Rs. '000 Audited	As at 30.06.2016 Rs. '000	As at 31.12.2015 Rs. '000 Audited			
Assets							
Cash and cash equivalents	3,294,943	3,240,253	3,297,729	3,247,469			
Balances with central banks	-	-	452	729			
Placements with banks	16,852,458	12,626,509	16,852,458	12,626,509			
Derivative financial instruments	5,456,316	3,735,284	5,456,316	3,735,284			
Other financial assets held-for-trading	15,821,710	13,542,721	20,473,011	17,804,872			
Financial assets designated at fair value through profit or loss	-	-	-	-			
Loans and receivables to banks	33,650,279	23,717,823	33,726,292	23,735,825			
Loans and receivables to other customers	267,294,111	248,032,842	267,034,231	248,037,737			
Financial investments - Available-for-sale	4,545,018	4,385,767	6,435,812	6,407,037			
Financial investments - Held-to-maturity	501,725,914	515,302,705	503,752,927	517,514,189			
Investments in subsidiaries	150,000	150,000	-	-			
Property, plant and equipment	7,061,366	6,967,070	7,063,276	6,969,292			
Intangible assets	149,181	57,857	149,181	57,857			
Deferred tax assets	-	-	429	228			
Other assets	18,681,150	16,320,181	18,719,351	16,347,180			
Total assets	874,682,448	848,079,011	882,961,467	856,484,208			
Liabilities							
Due to banks	207,829	75,093	207,829	110,196			
Derivative financial instruments	1,410	-	1,410	-			
Due to other customers	625,598,984	595,775,709	625,598,984	595,775,709			
Other borrowings	201,614,798	207,025,525	208,285,641	213,703,431			
Current tax liabilities	-	-	42,017	45,477			
Deferred tax liabilities	395,999	504,423	395,999	504,423			
Other liabilities	12,217,643	12,274,434	12,234,213	12,286,296			
Total liabilities	840,036,663	815,655,184	846,766,093	822,425,532			
Equity							
Stated capital/Assigned capital	3,200,000	3,200,000	3,200,000	3,200,000			
Statutory reserve fund	2,143,187	2,047,581	2,143,187	2,047,581			
Other reserves	29,302,598	27,176,246	30,852,187	28,811,095			
Total shareholders' equity	34,645,785	32,423,827	36,195,374	34,058,676			
Total equity	34,645,785	32,423,827	36,195,374	34,058,676			
Total equity and liabilities	874,682,448	848,079,011	882,961,467	856,484,208			
Contingent liabilities and commitments	37,454,388	34,930,089	37,454,388	34,930,089			
Memorandum Information							

Equity holders	4,372,687	3,923,942	4,287,427	3,911,252
Explanatory Notes :-				

- 1. There are no changes to the accounting policies and methods of computation since the publication of the annual accounts for the year 2015.
- 2. There are no material events taken place after the reporting period, which requires adjustment or disclosure in this Financial Statements.
- 3. The comparable information is re-classified as wherever necessary to compare with the current year's classification in order to provide a better presentation.

Number of Employees (Nos.)	4,042	3,636	
Number of Branches (Nos.)	250	245	

Note: Amounts stated are in net of impairment and depreciation.

#### **STATEMENT OF CHANGES IN EQUITY - BANK**

								In Rupees Thousand
For the six months ended 30.06.2015	Stated Capital/ Assigned Capital	Revaluation Reserve	Statutory Reserve Fund	Available for Sale Reserve	Cash Flow Hedging Reserve	Retained Earnings	Other Reserves	Total Equity
Balance as at 1st January 2015	3,200,000	2,065,446	1,874,135	1,199,419	(5,504)	-	14,926,725	23,260,223
Net profit for the period	-	-	-	-	-	3,854,993	-	3,854,993
Other comprehensive income net of tax	-	-	-	63,446	5,503	-	-	68,949
Transfers to unclaimed deposits reserve	-	-	-	-	-	-	(2,184)	(2,184)
Contribution to the consolidated fund/Dividend	-	-	-	-	-	(900,000)	-	(900,000)
Contribution to national insurance trust fund	-	-	-	-	-	(38,550)	-	(38,550)
Transfers during the period	-	-	77,100	-	-	(2,916,443)	2,839,344	-
Balance as at 30th June 2015	3,200,000	2,065,446	1,951,235	1,262,865	(1)	-	17,763,885	26,243,430
For the six months ended 30.06.2016								
Balance as at 1st January 2016	3,200,000	3,296,565	2,047,581	1,631,862	139,106	-	22,108,709	32,423,827
Net profit for the period	-	-	-	-	-	4,780,308	-	4,780,308
Other comprehensive income net of tax	-	-	-	(268,515)	(139,106)	-	-	(407,621)
Transfers to unclaimed deposits reserve	-	-	-	-	-	-	(76,926)	(76,926)
Contribution to the consolidated fund/Dividend	-	-	-	-	-	(2,026,000)	-	(2,026,000)
Contribution to national insurance trust fund	-	-	-	-	-	(47,803)	-	(47,803)
Transfers during the period	-	-	95,606	-	-	(2,706,504)	2,610,900	-
Balance as at 30th June 2016	3,200,000	3,296,565	2,143,187	1,363,347	-	-	24,642,685	34,645,785

#### STATEMENT OF CHANGES IN EQUITY - GROUP

In Rupees Thousand

	Stated Capital/ Assigned	Revaluation	Statutory	Available for	Cash Flow Hedging	Retained	Other	
For the six months ended 30.06.2015	Capital	Reserve	<b>Reserve Fund</b>	Sale Reserve	Reserve	Earnings	Reserves	Total Equity
Balance as at 1st January 2015	3,200,000	2,065,446	1,874,135	1,199,419	(5,504)	-	16,691,515	25,025,015
Net profit for the period	-	-	-	-	-	3,950,214	-	3,950,214
Other comprehensive income net of tax	-	-	-	(44,466)	5,503	-	-	(38,963)
Transfers to unclaimed deposits reserve	-	-	-	-	-	-	(2,184)	(2,184)
Contribution to the consolidated fund/Dividend	-	-	-	-	-	(901,600)	-	(901,600)
Contribution to national insurance trust fund	-	-	-	-	-	(38,550)	-	(38,550)
Transfers during the period	-	-	77,100	-	-	(3,010,064)	2,932,965	-
Balance as at 30th June 2015	3,200,000	2,065,446	1,951,235	1,154,953	(1)	-	19,622,296	27,993,929
For the six months ended 30.06.2016								
Balance as at 1st January 2016	3,200,000	3,296,565	2,047,581	1,452,761	139,106	-	23,922,660	34,058,676
Net profit for the period	-	-	-	-	-	4,806,702	-	4,806,702
Other comprehensive income net of tax	-	-	-	(380,572)	(139,106)	-	403	(519,275)
Transfers to unclaimed deposits reserve	-	-	-	-	-	-	(76,926)	(76,926)
Contribution to the consolidated fund/Dividend	-	-	-	-	-	(2,026,000)	-	(2,026,000)
Contribution to national insurance trust fund	-	-	-	-	-	(47,803)	-	(47,803)
Transfers during the period	-	-	95,606	-	-	(2,732,898)	2,637,292	-
Balance as at 30th June 2016	3,200,000	3,296,565	2,143,187	1,072,189	-	-	26,483,429	36,195,374

The NSB Act No. 30 of 1971 certifies Government guarantee for your savings at NSB and interest due thereon.



## NATIONAL SAVINGS BANK FINANCIAL STATEMENTS

**AAA**(Ika)

First Sri Lankan Bank to be rated AAA

### For the six months ended 30<sup>th</sup> June, 2016

#### ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS - BANK a. Bank - as at 30.06.2016 In Rupees Thousand Held for Designated at Held to Amortised Available Hedging Total Trading Fair value Maturity for Sale Cost ASSETS Cash and cash equivalents 3,294,943 3,294,943 Balances with central banks Placement with banks 16,852,458 16,852,458 Derivative financial instruments 5,456,316 5,456,316 Other financial assets held for trading 15,821,710 15,821,710 Other financial assets at fair value through profit or loss

Loans and receivable to banks 33,650,279 33,650,279 Loans and receivable to other customers 267,294,111 267,294,111 Financial investments 501,725,914 4,545,018 506,270,932 Total financial assets 15,821,710 501,725,914 321,091,791 4,545,018 5,456,316 848,640,749

In Rupees Thousand	Held for Trading	Designated at Fair value	Amortised Cost	Hedging	Total
LIABILITIES			I		
Due to banks	-	-	207,829	-	207,829
Derivative financial instruments	-	-	-	1,410	1,410
Other financial liabilities at fair					
value through profit or loss	-	-	-	-	-
Due to other customers	-	-	625,598,984	-	625,598,984
Other borrowings	-	-	201,614,798	-	201,614,798
Debt securities issued	-	-	-	-	-
Total financial liabilities	-	-	827,421,611	1,410	827,423,021

b. Bank - as at 31.12.2015 (Audited)

In Rupees Thousand	Held for	Designated at	Held to	Amortised	Available	Hedging	Total
	Trading	Fair value	Maturity	Cost	for Sale		
ASSETS							
Cash and cash equivalents	-	-	-	3,240,253	-	-	3,240,253
Balances with central banks	-	-	-	-	-	-	-
Placement with banks	-	-	-	12,626,509	-	-	12,626,509
Derivative financial instruments	-	-	-	-	-	3,735,284	3,735,284
Other financial assets held for trading	13,542,721	-	-	-	-	-	13,542,721
Other financial assets at fair value							
through profit or loss	-	-	-	-	-	-	-
Loans and receivable to banks	-	-	-	23,717,823	-	-	23,717,823
Loans and receivable to other customers	-	-	-	248,032,842	-	-	248,032,842
Financial investments	-	- 5	15,302,705	-	4,385,767	-	519,688,472
Total financial assets	13,542,721	- 5	15,302,705	287,617,426	4,385,767	3,735,284	824,583,904
In Rupees Thousand			Held for	Designated	Amortised	Hedging	Total
			Trading	at Fair value	Cost		
LIABILITIES							
Due to banks			-	-	75,093	-	75,093
Derivative financial instruments			-	-	-	-	-
Other financial liabilities at fair value							
through profit or loss			-	-	-	-	-
Due to other customers			-	-	595,775,709	-	595,775,709
Other borrowings			-	-	207,025,525	-	207,025,525
Debt securities issued				-	-	-	_
Total financial liabilities			-	-	802,876,327		802,876,327
	FES TO '	THE FINA	NCIAL	STATEN			

#### NOTES TO THE FINANCIAL STATEMENT 01. Loans and Receivables to Other Customers

	Ban	k	Group		
In Rupees Thousand	As at 30.06.2016	As at 31.12.2015	As at 30.06.2016	As at 31.12.2015	
Gross loans and receivables (Less): Individual impairment	268,946,790	251,125,051	268,686,910	251,129,946	
Collective Impairment (Note - a)	(1,652,679)	(3,092,209)	(1,652,679)	(3,092,209)	
Net loans and receivables including those designated at fair value through profit or loss (Less): Loans and receivables designated at fair value through profit or loss	267,294,111	248,032,842	267,034,231	248,037,737	
Net loans and receivables (Note - b)	267,294,111	248,032,842	267,034,231	248,037,737	

#### ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS - GROUP

In Rupees Thousand	Held for	Designated	at Held to	Amortised	Available	Hedging	Total
	Trading	Fair value			for Sale		
ASSETS							
Cash and cash equivalents	-	-	-	3,297,729	-	-	3,297,72
Balances with central banks	-	-	-	452	-	-	45
Placement with banks	-	-	-	16,852,458	-	-	16,852,45
Derivative financial instruments	-	-	-	-	-	5,456,316	5,456,31
Other financial assets held for trading	20,473,011	-	-	-	-	-	20,473,01
Other financial assets at fair value							
through profit or loss Loans and receivable to banks	-	-	-	33,726,292	-	-	33,726,29
Loans and receivable to other customers	-	-	-	267,034,231	-	-	267,034,23
Financial investments	_	-	503,752,927	207,034,231	6,435,812	_	510,188,73
	20 482 011			220 011 1 (2		- 456 216	
Total financial assets	20,473,011	-	503,752,927	320,911,163	6,435,812	5,456,316	857,029,22
In Rupees Thousand			Held for Trading		Amortised Cost	Hedging	Total
LIABILITIES			•				•
Due to banks			-	-	207,829	-	207,82
Derivative financial instruments			-	-	-	1,410	1,41
Other financial liabilities at fair value							
through profit or loss			-	-	-	-	
Due to other customers			-	-	625,598,984		625,598,98
Other borrowings Debt securities issued			-	-	208,285,641	1 -	208,285,64
Total financial liabilities			-	-	834,092,455		834,093,86
d. Group - as at 31.12.2015 (Audited)					004,072,400	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	054,055,00
In Rupees Thousand	Held for	Designated	at Held to	Amortised	Available	Hedging	Total
in Rupces Thousand	Trading	Fair value			for Sale	Incuging	Iotai
ASSETS				3,247,469			3,247,46
Cash and cash equivalents Balances with central banks	-	-	-	5,247,409	-	-	5,247,40
Placement with banks	-	-	-	12,626,509	-	-	12,626,50
Derivative financial instruments	-	-	-	12,020,509	-	3,735,284	3,735,28
Other financial assets held for trading	17,804,872	-	-	-	-		17,804,87
Other financial assets at fair value							
through profit or loss	-	-	-	-	-	-	
Loans and receivable to banks	-	-	-	23,735,825	-	-	23,735,82
Loans and receivable to other customers	-	-	-	248,037,737	-	-	248,037,73
Financial investments	-	-	517,514,189	-	6,407,037	-	523,921,22
Total financial assets	17,804,872	-	517,514,189	287,648,269	6,407,037	3,735,284	833,109,65
In Rupees Thousand			Held for	Designated	Amortised	Hedging	Total
•			Trading	at Fair value	Cost		
LIABILITIES Due to banks					110,196		110,19
Derivative financial instruments			-	-	110,190	-	110,19
Other financial liabilities at fair value							
through profit or loss			-	-	_	-	
Due to other customers			-	-	595,775,709	) -	595,775,70
Other borrowings			-	-	213,703,431	1 -	213,703,43
Debt securities issued			-	-	-	-	
Total financial liabilities				-	809,589,330	<del>6 -</del>	809,589,33
		SH FLOW					
	UAD			C		Group	
	CAD		Banl				
	CAD		0.06.2016	30.06.2015	30.06.2		).06.2015 D- 1000
	CAD				30.06.2 Rs.'0		0.06.2015 Rs.'000
			0.06.2016 Rs.'000	30.06.2015 Rs.'000	Rs.'0	00	Rs.'000
Profit before tax			0.06.2016	30.06.2015		00	
Profit before tax Adjustment for:		6	0.06.2016 Rs.'000 494,340	<b>30.06.2015</b> <b>Rs.'000</b> 6,246,638	<b>Rs.'0</b> 6,534,	<b>00</b>	<b>Rs.'000</b> 6,384,490
Profit before tax Adjustment for: Non-cash items included in profit befo		6	0.06.2016 Rs.'000 494,340 027,353	<b>30.06.2015</b> <b>Rs.'000</b> 6,246,638 1,794,407	<b>Rs.'0</b> 6,534, 1,096,;	<b>00</b> 666 285	<b>Rs.'000</b> 6,384,490 1,794,527
Profit before tax Adjustment for: Non-cash items included in profit before Change in operating assets		6 1 (23	0.06.2016 Rs.'000 494,340 027,353 026,901)	<b>30.06.2015</b> <b>Rs.'000</b> 6,246,638 1,794,407 (35,155,833)	<b>Rs.'0</b> 6,534, 1,096,7 (23,104,	00 666 285 638) (3	<b>Rs.'000</b> 6,384,490 1,794,527 2,927,756)
Profit before tax Adjustment for: Non-cash items included in profit before Change in operating assets Change in operating liabilities		6 1 (23 30	0.06.2016 Rs.'000 494,340 027,353 026,901 ) 631,742	<b>30.06.2015</b> <b>Rs.'000</b> 6,246,638 1,794,407 (35,155,833) 24,701,229	<b>Rs.'0</b> 6,534, 1,096, (23,104, 30,601,	00 666 285 638) (3 751 2	<b>Rs.'000</b> 6,384,490 1,794,527 2,927,756) 8,025,049
Change in operating assets Change in operating liabilities Placement with banks	ore tax	6 1 (23 30 (4	0.06.2016 Rs.'000 494,340 027,353 026,901 ) 631,742 225,949 )	<b>30.06.2015</b> <b>Rs.'000</b> 6,246,638 1,794,407 (35,155,833) 24,701,229 541,210	<b>Rs.'0</b> 6,534, 1,096, (23,104, 30,601, (4,225,	00 6666 285 638) (3 751 2 949)	<b>Rs.'000</b> 6,384,490 1,794,527 2,927,756) 8,025,049 541,210
Profit before tax Adjustment for: Non-cash items included in profit before Change in operating assets Change in operating liabilities Placement with banks Contribution paid to defined benefit p	ore tax	6 1 (23 30 (4	0.06.2016 Rs.'000 494,340 027,353 026,901 ) 631,742 225,949 ) 866,056 )	<b>30.06.2015</b> <b>Rs.'000</b> 6,246,638 1,794,407 (35,155,833) 24,701,229 541,210 (567,162)	<b>Rs.'0</b> 6,534, 1,096, (23,104, 30,601, (4,225, (866,	00 666 285 638) (3 751 2 949) 056)	<b>Rs.'000</b> 6,384,490 1,794,527 2,927,756) 8,025,049 541,210 (567,162)
Profit before tax Adjustment for: Non-cash items included in profit before Change in operating assets Change in operating liabilities Placement with banks	ore tax Jans	6 1 (23 30 (4	0.06.2016 Rs.'000 494,340 027,353 026,901 ) 631,742 225,949 )	<b>30.06.2015</b> <b>Rs.'000</b> 6,246,638 1,794,407 (35,155,833) 24,701,229 541,210	<b>Rs.'0</b> 6,534, 1,096, (23,104, 30,601,' (4,225, (866, (1,840,)	00 666 285 638) (3 751 2 949) 056)	<b>Rs.'000</b> 6,384,490 1,794,527 2,927,756) 8,025,049 541,210

Note - a. Movements in Individual and Collective Impairment during the period for Loans and Receivables to Other Customers
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	Bank		Group		
In Rupees Thousand	As at 30.06.2016	As at 31.12.2015	As at 30.06.2016	As at 31.12.2015	
Individual impairment					
Opening balance	-	-	-	-	
Charge/(Write back) to Income Statement	-	-	-	-	
Write-off during the period	-	-	-	-	
Other movements	-	-	-	-	
Closing balance	-	-	-	-	
Collective impairment					
Opening balance	3,092,209	3,925,172	3,092,209	3,925,172	
Charge/(Write back) to Income Statement	(191,387)	2,139,553	(191,387)	2,139,553	
Other movements/Interest waive off	(1,248,143)	(2,972,516)	(1,248,143)	(2,972,516)	
Closing balance	1,652,679	3,092,209	1,652,679	3,092,209	
Total impairment	1,652,679	3,092,209	1,652,679	3,092,209	
Note - b. Loans and Receivables to Other Custom	ers - by product				
	Bai	Bank		Group	
In Rupees Thousand	As at 30.06.2016	As at 31.12.2015	As at 30.06.2016	As at 31.12.2015	
By product - Domestic Currency					
Overdrafts	-	-	-	-	
Term loans	214,536,222	194,270,398	214,536,222	194,270,398	

Total	267,294,111	248,032,842	267,034,231	248,037,737
Sub total	16,945,195	15,439,281	16,945,195	15,439,281
Other loans	-	-	-	-
Term loans	16,945,195	15,439,281	16,945,195	15,439,281
Overdrafts	-	-	-	-
By product - Foreign Currency				
Sub total	250,348,916	232,593,561	250,089,036	232,598,456
Other loans	3,928,039	2,443,976	3,928,039	2,443,976
Securities purchased under resale agreements	1,375,801	-	1,115,921	4,895
Staff Loans	3,766,791	3,362,967	3,766,791	3,362,967
Sri Lanka Government Securities	2,075,000	2,075,000	2,075,000	2,075,000
Securitization/Commercial Papers	2,270,082	2,413,639	2,270,082	2,413,639
Pawning	22,396,980	28,027,581	22,396,980	28,027,581
ICIII IOalis	214,330,222	194,270,398	214,330,222	194,270,398

02. Due to Other Customers - by product

In Rupees Thousand	Ba	Bank		Group	
	As at 30.06.2016	As at 31.12.2015	As at 30.06.2016	As at 31.12.2015	
By product - Domestic Currency					
Savings deposits	170,460,008	160,814,096	170,460,008	160,814,096	
Fixed deposits	446,628,433	427,588,230	446,628,433	427,588,230	
Other deposits	-	-	-	-	
Sub total	617,088,441	588,402,326	617,088,441	588,402,326	
By product - Foreign Currency					
Savings deposits	2,670,860	2,567,612	2,670,860	2,567,612	
Fixed deposits	5,839,683	4,805,771	5,839,683	4,805,771	
Other deposits	-	-	-	-	
Sub total	8,510,543	7,373,383	8,510,543	7,373,383	
Total	625,598,984	595,775,709	625,598,984	595,775,709	

Net cash used in operating activities	8,166,476	(4,891,365)	8,150,413	809,005
Cash flows from investing activities				
Purchase of property, plant and equipment	(236,942)	(224,906)	(236,942)	(225,331)
Proceeds from the sale of property, plant and equipment	797	-	797	-
Net Increase in investment in Available-for-sale	(389,743)	11,257	(371,324)	(2,019,707)
Net purchase of intangible assets	(104,981)	(5,406)	(104,981)	(5,406)
Decrese in unclaimed reserve fund	(76,926)	(2,184)	(76,926)	(2,184)
Dividends received from investment in subsidiaries	-	14,400	-	-
Net cash from investing activities	(807,795)	(206,839)	(789,376)	(2,252,628)
Cash flows from financing activities				
Contribution to consolidated fund/(Dividend)	(2,026,000)	(900,000)	(2,026,000)	(901,600)
Other borrowings	(5,410,727)	9,508,488	(5,417,790)	5,860,689
Net cash from financial activities	(7,436,727)	8,608,488	(7,443,790)	4,959,089
Net increase/(decrease) in cash & cash equivalents	(78,046)	3,510,284	(82,753)	3,515,466
Cash and cash equivalents at the beginning of the year	3,165,160	1,836,444	3,173,105	1,840,544
Cash and cash equivalents at the end of the period	3,087,114	5,346,728	3,090,352	5,356,010

(45,597)

(45,809)

(14,400)

(45,597)

(45,809)

#### SELECTED PERFORMANCE INDICATORS (AS PER REGULATORY REPORTING)

	Bank		Group	
	As at 30.06.2016	As at 31.12.2015	As at 30.06.2016	As at 31.12.2015
Regulatory Capital Adequacy				
Core Capital (Tier 1 Capital), Rs. '000 Total Capital Base, Rs. '000 Core Capital Adequacy Ratio, as % of Risk Weighted	27,824,552 26,125,380	27,354,097 25,071,802	29,599,385 27,975,213	29,128,930 26,921,635
Assets (Minimum Requirement, 5%) Total Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 10%)	15.94 14.97	17.90 16.40	16.70 15.78	18.72 17.30
Assets Quality (Quality of Loan Portfolio)				
Gross Non - Performing Advances Ratio, % (Net of Interest in Suspense) Net Non - Performing Advances, % (Net of Interest in Suspense and Provisions)	2.08 1.96	3.46 3.35	2.08 1.96	3.46 3.35
Profitability Interest Margin, % Return on Assets (before Tax), % Return on Equity, %	3.04 1.51 28.51	3.32 1.60 31.15	3.03 1.50 27.37	3.32 1.62 29.90
Regulatory Liquidity Statutory Liquid Assets, Rs.'000 (average) Statutory Liquid Assets Ratio, % (Minimum Requirement, 20%)	455,651,429 75.19	462,549,326 81.08	-	-

#### **<u>CERTIFICATION</u>** :

I certify that the above Financial Statements give a true and fair view of the State of Affairs of the Bank and its subsidiary as at 30th June 2016 and the profits for the six months then ended.

#### Sgd. K B Wijeyaratne

Deputy General Manager (Finance & Planning)

Contribution paid to national insurance trust fund

Dividends received from investment in subsidiaries

We, the undersigned, being the Chairman and the General Manager / Chief Executive Officer of National Savings Bank certify jointly that:-

- (a) the above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka
- (b) the information contained in these statements have been extracted from the unaudited Financial Statements of the Bank and its subsidiary company unless indicated as audited.

Sgd.	Sgd.
Aswin De Silva	S D N Perera
Chairman	General Manager / CEO
12th August 2016. Colombo	

The NSB Act No. 30 of 1971 certifies Government guarantee for your savings at NSB and interest due thereon.