

## NATIONAL SAVINGS BANK FINANCIAL STATEMENTS

For the Year ended 31<sup>St</sup> December 2017

INCOM	E STATEM	ENT				
	Ban	ık	Group			
For the year ended 31st December	2017 Rs. '000 Audited	2016 Rs. '000 Audited	2017 Rs. '000 Audited	2016 Rs. '000 Audited		
Income	107,816,909	87,399,144	108,055,746	88,038,609		
Interest income Interest expenses	103,399,962 (78,444,825)	86,390,039 (60,923,221)	104,245,541 (78,987,596)	87,142,784 (61,453,898		
Net interest income Fee and commission income Fee and commission expenses	<b>24,955,137</b> 782,776 (109,082)	<b>25,466,818</b> 650,164 (137,432)	<b>25,257,945</b> 785,077 (113,037)	<b>25,688,886</b> 651,160 (140,122		
Net fee and commission income Net gain/(loss) from trading Net gain/(loss) from financial instruments designated at fair value through profit or loss Net gain/(loss) from financial investments	673,694 1,206,408 - 707,491	<b>512,732</b> (39,270)	672,040 1,520,740 - 707,491	<b>511,038</b> (136,897		
Other operating income (net)	1,720,272	357,288	796,897	340,640		
Total operating income Impairment for loans and other losses Individual impairment	29,263,002	26,338,490	28,955,113	26,444,590		
Collective impairment	(693,233)	99,693	(693,233)	99,693		
Net operating income Personnel expenses Depreciation and amortization Other expenses	<b>28,569,769</b> (6,886,505) (423,547) (3,737,364)	<b>26,438,183</b> (6,235,370) (332,394) (3,776,144)	<b>28,261,880</b> (6,918,813) (424,416) (3,682,700)	<b>26,544,28</b> 3 (6,266,515 (333,025 (3,735,893		
Operating profit/(loss) before Value Added Tax (VAT) and Nation Building Tax (NBT) Value Added Tax on financial services Nation Building Tax on financial services	17,522,354 (3,082,619) (411,016)	<b>16,094,275</b> (2,405,618) (385,670)	<b>17,235,951</b> (3,168,299) (422,440)	<b>16,208,850</b> (2,423,091 (388,482		
Operating profit/(loss) after Value Added Tax (VAT) and Nation Building Tax (NBT) Share of profits of associates and joint ventures	14,028,719	13,302,987	13,645,212	13,397,277		
Profit/(loss) before tax Income tax expenses	<b>14,028,719</b> (4,419,019)	<b>13,302,987</b> (3,805,271)	13,645,212 (4,595,065)	<b>13,397,277</b> (3,834,995		
Profit/(loss) for the year	9,609,700	9,497,716	9,050,147	9,562,282		
Profit attributable to: Equity holders of the Bank Non-controlling interests	9,609,700	9,497,716	9,050,147	9,562,282		
Earnings per share on profit Earnings per ordinary share - Basic (Rs.) Earnings per ordinary share - Diluted ( Rs.)	15.50 15.50	29.68 29.68	14.60 14.60	29.88 29.88		

STATEMENT OF COMPREHENSIVE INCOME									
	В	ank	Gre	oup					
For the year ended 31st December	2017 Rs. '000	2016 Rs. '000	2017 Rs. '000	2016 Rs. '000					
Profit for the year Other comprehensive income, net of taxes	9,609,700	9,497,716	9,050,147	9,562,282					
Other comprehensive income to be reclassified to Income Statement Net gains/(losses) on cash flow hedges Gains/(losses) on re-measuring available-for-sale financial assets Fair value gains transferred to the Income Statement on disposal of available-for-sale financial assets	290,074 656,807 (690,388)	(137,256) (299,996) 46,952	290,074 822,050 (690,388)	(137,256) (402,955) 46,952					
Total other comprehensive income to be reclassified to Income Statement	256,492	(390,300)	421,735	(493,259)					
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	4,508,480 (2,072,425)	2,379,307	4,508,480 (2,072,155)	2,379,640					
Total other comprehensive income not to be reclassified to Income Statement	2,436,055	2,379,307	2,436,325	2,379,640					
Other comprehensive income for the year, net of taxes	2,692,547	1,989,007	2,858,060	1,886,381					
Total comprehensive income for the year	12,302,247	11,486,723	11,908,207	11,448,663					
Attributable to: Equity holders	12,302,247	11,486,723	11,908,207	11,448,663					
Explanatory Notes :-									

- 1. There are no changes to the accounting policies and methods of computation except capitalization of improvement to leasehold building since the publication of the annual accounts for the year 2016.
- There are no material events taken place after the reporting period, which requires adjustment or disclosure in these 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.

Balance as at 31st December 2017

Transfers during the year

STATEMENT OF FINANCIAL POSITION										
	Bank Group									
	As at 31.12.2017 Rs. '000 Audited	As at 31.12.2016 Rs. '000 Audited	As at 31.12.2017 Rs. '000 Audited	As at 31.12.2016 Rs. '000 Audited						
Assets										
Cash and cash equivalents	3,849,627	4,619,699	3,854,086	4,627,629						
Balances with central banks	-	-	94	477						
Placements with banks	23,438,104	19,013,572	23,438,104	19,013,572						
Derivative financial instruments	1,360,714	2,728,445	1,360,714	2,728,445						
Other financial assets held-for-trading	6,472,314	20,290,588	9,389,950	27,303,207						
Financial assets designated at fair value through			-	_						
Loans and receivables to banks	27,714,565	31,834,072	27,971,234	31,834,072						
Loans and receivables to other customers	360,309,866	291,976,942	358,766,093	291,178,121						
Financial investments - Available-for-sale	5,693,829	6,227,764	7,713,852	8,122,516						
Financial investments - Held-to-maturity			, ,							
·	544,273,077	505,824,398	547,924,390	507,624,954						
Investments in subsidiaries	900,000	150,000	-	-						
Property, plant and equipment	12,015,376	7,119,651	12,018,679	7,121,823						
Intangible assets	380,308	157,271	380,655	157,271						
Deferred tax assets	-	-	-	588						
Other assets	25,695,689	21,761,440	25,976,944	21,890,777						
Total assets	1,012,103,470	911,703,842	1,018,794,797	921,603,453						
Liabilities										
Due to banks	180,439	115,391	828,433	2,858,673						
Derivative financial instruments	956,937	-	956,937	-						
Due to other customers	737,212,640	657,280,315	737,212,640	657,280,315						
Other borrowings	217,955,777	207,039,909	222,771,969	212,629,427						
Current tax liabilities	-	-	137,344	17,153						
Deferred tax liabilities	507,063	416,180	507,138	416,180						
Other liabilities	9,062,425	8,600,056	9,107,460	8,608,506						
Subordinated liabilities	6,006,411	6,006,411	6,006,411	6,006,411						
Total liabilities	971,881,692	879,458,262	977,528,332	887,816,665						
Equity										
Stated capital/Assigned capital	6,700,000	6,200,000	6,700,000	6,200,000						
Statutory reserve fund	3,002,952	2,522,467	3,002,952	2,522,467						
Retained earnings	2,228,885	2,379,307	2,805,727	3,708,614						
Other reserves	28,289,941	21,143,806	28,757,786	21,355,707						
Total shareholders' equity	40,221,778	32,245,580	41,266,465	33,786,788						
Total equity	40,221,778	32,245,580	41,266,465	33,786,788						
Total equity and liabilities	1,012,103,470	911,703,842	1,018,794,797	921,603,453						
Contingent liabilities and commitments	18,320,312	24,970,060	18,320,312	24,970,060						
Memorandum Information				_						
Number of Employees (Nos.)	4,469	4,384								
Number of Branches (Nos.)	253	250								

(2,571,184)

2,805,727

2,090,699

19,444,122

(11,728)

41,266,465

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

STATEMENT OF CHANGES IN EQUITY - BANK - Audited										
								In Rupees Thousand		
	Stated Capital/	Revaluation	Statutory	Available	Cash Flow	Retained	Other	Total		
	Assigned	Reserve	Reserve Fund	for Sale	Hedging	Earnings	Reserves	Equity		
For the year ended 31.12.2016	Capital			Reserve	Reserve					
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 year	-	-	-	-	-	9,497,716	-	9,497,716		
Other comprehensive income net of tax	-	-	-	(253,044)	(137,256)	2,379,307	-	1,989,007		
Transfers to unclaimed deposits reserve/issued share capital	3,000,000	-	-	-	-	-	(2,543,992)	456,008		
Contribution to consolidated fund-Dividend/Levy	-	-	-	-	-	(12,026,000)	-	(12,026,000)		
Contribution to national insurance trust fund	-	-	-	-	-	(94,977)	-	(94,977)		
Transfers during the year		-	474,886			2,623,262	(3,098,147)			
Balance as at 31st December 2016	6,200,000	3,296,565	2,522,467	1,378,818	1,850	2,379,307	16,466,570	32,245,580		
For the year ended 31.12.2017										
Balance as at 1st January 2017	6,200,000	3,296,565	2,522,467	1,378,818	1,850	2,379,307	16,466,570	32,245,580		
Net profit for the year	· · · · · -	, <u>-</u>	,	-	-	9,609,700	-	9,609,700		
Other comprehensive income net of tax	-	4,508,480	-	(33,581)	290,074	(2,072,425)	-	2,692,547		
Transfers to unclaimed deposits reserve/issued share capital	500,000	-	-	-	-	-	392,891	892,891		
Contribution to consolidated fund-Dividend/Levy	-	-	-	-	-	(5,111,114)	-	(5,111,114)		
Contribution to national insurance trust fund	-	-	-	-	-	(96,097)	-	(96,097)		
Transfers during the year	-	(11,728)	480,485	-	-	(2,480,485)	2,000,000	(11,728)		
Balance as at 31st December 2017	6,700,000	7,793,317	3,002,952	1,345,237	291,924	2,228,885	18,859,461	40,221,778		

	STATEMENT	OF CHANG	ES IN EQUIT	Y - GROUP - A	Audited			
			-					In Rupees Thousan
	Stated Capital/	Revaluation	Statutory	Available	Cash Flow	Retained	Other	Total
	Assigned	Reserve	Reserve Fund	for Sale	Hedging	Earnings	Reserves	Equity
For the year ended 31.12.2016	Capital			Reserve	Reserve			
Balance as at 1st January 2016	3,200,000	3,296,565	2,047,581	1,452,761	139,106	1,285,911	22,582,817	34,004,744
Net profit for the year	-	-	-	-	-	9,562,282	-	9,562,282
Other comprehensive income net of tax	-	-	-	(356,003)	(137,256)	2,379,640	-	1,886,381
Transfers to unclaimed deposits reserve/issued share capital	3,000,000	-	-	-	-	-	(2,543,992)	456,008
Contribution to the consolidated fund-Dividend/Levy	-	-	-	-	-	(12,027,650)	-	(12,027,650)
Contribution to national insurance trust fund	-	-	-	-	-	(94,977)	-	(94,977)
Transfers during the year	-	-	474,886	-	-	2,603,408	(3,078,293)	-
Balance as at 31st December 2016	6,200,000	3,296,565	2,522,467	1,096,758	1,850	3,708,614	16,960,532	33,786,788
For the year ended 31.12.2017								
Balance as at 1st January 2017	6,200,000	3,296,565	2,522,467	1,096,758	1,850	3,708,614	16,960,532	33,786,788
Net profit for the year	-	-	-	-	· <u>-</u>	9,050,147	-	9,050,147
Other comprehensive income net of tax	-	4,508,480	-	131,662	290,074	(2,072,155)	-	2,858,060
Transfers to unclaimed deposits reserve/issued share capital	500,000	-	-	-	-	-	392,891	892,891
Contribution to the consolidated fund - Dividend / Levy	-	-	-	-	-	(5,111,114)	-	(5,111,114)
Withholding Tax on Dividend	-	-	-	-	-	(102,483)	-	(102,483)
Contribution to national insurance trust fund	-	-	-	-	-	(96,097)	-	(96,097)
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291,924

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(11,728)

7,793,317

6,700,000



## NATIONAL SAVINGS BANK

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For the year ended 31st December, 2017

		FOF	the	yea	enue	ed 31 <sup>st</sup> Decemb	er, z	UI /					
a. Bank - as at 31.12.2017 - (Audited)	RUMENTS BY	MEASUR	EMENT	BASIS	- BANK	ANALYSIS OF FINANC  c. Group - as at 31.12.2017 (Audited)	IAL INS	ΓRUMENT	S BY M	IEASURI	EMENT 1	BASIS -	GROUP
Transfer and the second	signated at Held to	Amortised	Available	Hedging	Total	In Rupees Thousand	Held for Trading	Designated at Fair value	Held to Maturity	Amortised Cost	Available for Sale	Hedging	Total
ASSETS Trading F	Fair value   Maturity	Cost	for Sale			ASSETS Coch and each equivalents	Haums	Fall value	Maturity	3,854,086	IUI Daic		3,854,086
Cash and cash equivalents - Balances with central banks -		3,849,627	-	-	3,849,627	Cash and cash equivalents Balances with central banks Placement with banks	-	- - -	-	3,834,080 94 23,438,104	-	-	3,834,086 94 23,438,104
Placement with banks  Derivative financial instruments  Other financial assets held for trading  6,472,314	 	23,438,104	-	1,360,714	23,438,104 1,360,714 6,472,314	Derivative financial instruments Other financial assets held for trading	9,389,950	-	-	-	-	1,360,714	1,360,714 9,389,950
Other financial assets at fair value through profit or loss		-	-	-	-	Other financial assets at fair value through profit or loss Loans and receivables to banks	-	-	-	27,971,234	-	-	- 27,971,234
Loans and receivable to banks - Loans and receivable to other customers - Financial investments -	544,273,077	27,714,565 360,309,866	5,693,829	-	27,714,565 360,309,866 549,966,905	Loans and receivable to other customers Financial investments	-	- - 54	47,924,390	358,766,093	7,713,852	-	358,766,093 555,638,242
Total financial assets 6,472,314	- 544,273,077			1,360,714		Total financial assets	9,389,950	- 54	47,924,390	414,029,611	7,713,852	1,360,714	980,418,516
In Rupees Thousand	Held for Trading		Amortised Cost	Hedging	Total	In Rupees Thousand			Held for Trading	Designated at Fair value	Amortised Cost	Hedging	Total
LIABILITIES Due to banks			180,439	_	180,439	LIABILITIES  Due to banks  Derivative financial instruments			-	-	828,433	956,937	828,433 956,937
Derivative financial instruments Other financial liabilities at fair	-	-	-	956,937	956,937	Other financial liabilities at fair value through profit or loss			-	-	<del>.</del>	-	-
value through profit or loss Due to other customers Other borrowings	-		- 737,212,640 217,955,777	-	737,212,640 217,955,777	Due to other customers Other borrowings Subordinated liabilities			-	-	737,212,640 222,771,969 6,006,411	-	737,212,640 222,771,969 6,006,411
Subordinated liabilities  Total financial liabilities	-	-	6,006,411 <b>961,355,267</b>	956,937	6,006,411 <b>962,312,204</b>	Total financial liabilities			-	-	966,819,453		967,776,390
			, , .	,		d. Group - as at 31.12.2016 (Audited)  In Rupees Thousand	Held for	Designated at	Held to	Amortised	Available	Hedging	Total
b. Bank - as at 31.12.2016 (Audited)						ASSETS	Trading	Fair value	Maturity	Cost	for Sale		
1 * 1	signated at Held to Yair value Maturity	Amortised Cost	Available for Sale	Hedging	Total	Cash and cash equivalents Balances with central banks Placement with banks	-	-	-	4,627,629 477 19,013,572	-	-	4,627,629 477 19,013,572
ASSETS Cash and cash equivalents		4,619,699	-	-	4,619,699	Derivative financial instruments Other financial assets held for trading	27,303,207	-	-	-	-	2,728,445	2,728,445 27,303,207
Balances with central banks - Placement with banks - Derivative financial instruments -		19,013,572	-	- 2,728,445	19,013,572 2,728,445	Other financial assets at fair value through profit or loss Loans and receivable to banks	-	-	-	31,834,072	-	-	31,834,072
Other financial assets held for trading 20,290,588 Other financial assets at fair value		-	-	-	20,290,588	Loans and receivable to other customers Financial investments	-	- - 50	07,624,954	291,178,121	8,122,516	-	291,178,121 515,747,470
through profit or loss  Loans and receivable to banks  Loans and receivable to other customers		31,834,072 291,976,942	-	-	31,834,072 291,976,942	Total financial assets	27,303,207	- 50	07,624,954	346,653,871			892,432,992
Financial investments  Total financial assets  20,290,588	- 505,824,398 - <b>505.824.398</b>		6,227,764 6,227,764	2.728.445	512,052,162	In Rupees Thousand			Held for Trading	Designated at Fair value	Amortised Cost	Hedging	Total
In Rupees Thousand	Held for		Amortised	Hedging		LIABILITIES Due to banks			-	-	2,858,673	-	2,858,673
in Rupees I nousand	Trading		Cost	neuging	Total	Derivative financial instruments Other financial liabilities at fair value through profit or loss			-	-	-	-	-
LIABILITIES Due to banks	-	-	115,391	-	115,391	Due to other customers Other borrowings			-		557,280,315 212,629,427	-	657,280,315 212,629,427
Derivative financial instruments Other financial liabilities at fair value through profit or loss	-	-	-	-	-	Subordinated liabilities  Total financial liabilities			-	- :	6,006,411 878,774,826	-	6,006,411 878,774,826
Due to other customers Other borrowings	-		657,280,315 207,039,909	-	657,280,315 207,039,909		CAS	H FLOW S	TATEN	IENT			
Subordinated liabilities  Total financial liabilities	-	-	6,006,411 <b>870,442,026</b>	-	6,006,411 <b>870,442,026</b>			21.10	Bank	21.10.2017	24.42.4	Group	
NOTES TO TH	E FINANCIAL	STATEM	ENT					31.12 Rs.'	000	31.12.2016 Rs.'000 Audited	31.12.20 Rs.'00 Audite	0	1.12.2016 Rs.'000 Audited
01. Loans and Receivables to Other Customers						Cash flows from operating activities Profit before tax		14,028		13,302,987	13,645,2		3,397,277
In Rupees Thousand	As at	As at	As a	Group	As at	Adjustment for:  Non-cash items included in profit before	ore tax	(1,176	5,426)	1,153,639	(731,0		1,271,628
Gross loans and receivables	<b>31.12.2017</b> 362,608,207	<b>31.12.2016</b> 293,708,714	<b>31.12.</b> 2		31.12.2016 292,909,893	Change in operating assets Change in operating liabilities		(90,981 81,073	,681	(54,762,416) 61,611,498	(88,112,7 79,015,2	51 6-	6,499,933) 4,316,597
(Less): Individual impairment Collective impairment (Note - a)	(2,298,341)	(1,731,772)	(2,298	8,341)	(1,731,772)	Placement with banks Contribution paid to defined benefit pl Tax paid	lans	(4,424 (881 (4,328	,812)	(6,387,063) (1,390,261) (3,893,514)	(4,424,5 (881,8 (4,383,3	12)	6,387,063) 1,390,261) 4,005,853)
Net loans and receivables including those designated at fair value through profit or loss	360,309,866	291,976,942	358,766	5,093	291,178,121	Interest expense on subordinated debt Contribution paid to national insurance	e trust fund	780 (87	0,000 7,253)	(104,375)	780,0 (87,2	00	(104,375)
(Less): Loans and receivables designated at fair value through profit or loss  Net loans and receivables (Note - b)	360,309,866	291,976,942	358,760	- 6.093	291,178,121	Dividends received from investment in Net cash generated from operating activ		(172 (6,169	2,350) 2,393)	(14,850) <b>9,515,645</b>	(5,180,2	77) 1	0,598,017
Note - a. Movements in Individual and Collective Impair					- , -,	Cash flows from investing activities Purchase of property, plant and equipment Proceeds from the sale of property, plant a			),492) 7,189	(450,150) 1,948	(732,3 7,1		(450,732) 1,948
	Ban			Group		Net (Increase)/Decrease in investment in A Net purchase of intangible assets	Available-for-s	ale 1,228		(2,052,611) (134,926)	1,268,9 (319,8	28 (2	2,029,052) (134,926)
In Rupees Thousand	As at 31.12.2017	As at 31.12.2016	As a 31.12.2		As at 31.12.2016	Net Increase/(Decrease) in unclaimed rese Dividends received from investment in su			2,054) 2,350	456,008 14,850	(49,0		456,008
Individual impairment Opening balance	-	-	-		-	Net cash (used in)/from investing activity  Cash flows from financing activities	ties	309	0,519	(2,164,881)	174,8	58 (1	2,156,754)
Charge/(Write back) to Income Statement Write-off during the year Other movements	-	-	-		-	Interest paid on subordinated debt Withholding Tax on Dividend paid		ì	0,000)		(780,0 (84,9	83)	- -
Closing balance	-	-	-		-	Contribution to consolidated fund-(Divide Other borrowings  Proceeds from the issue of subordinated d		(5,111 10,915		(12,026,000) 14,384 6,000,000	(5,111,1 10,142,5	42 (	2,027,650) 1,074,004) 6,000,000
Collective impairment Opening balance Charge/(Write back) to Income Statement	1,731,772 693,233	3,092,209 (99,693)		1,772 3,233	3,092,209 (99,693)	Net cash from financial activities  Net increase/(decrease) in cash & cash of		<b>5,024</b>	i,754 5,120)	(6,011,616) 1,339,148	<b>4,166,4</b> (838,9	45 (*	<b>7,101,654)</b> 1,339,610
Other movements/Interest waive off Closing balance	(126,664) <b>2,298,341</b>	(1,260,744) 1,731,772		5,664)	(1,260,744) 1,731,772	Cash and cash equivalents at the beginnin	g of the year	4,504 <b>3,669</b>	1,308	3,165,160 <b>4,504,308</b>	4,512,7 <b>3,673,7</b>	15	3,173,105 <b>4,512,715</b>
Total impairment	2,298,341	1,731,772	2,298	8,341	1,731,772	SELECTED PERFORM	ANCE IN	DICATOR	S (AS PI	ER REGU	LATORY	REPOR	RTING)
Note - b. Loans and Receivables to Other Customers								As a 31.12.2	at	As at 31.12.2016	As at 31.12.20	•	As at 31.12.2016
In Rupees Thousand	As at	As at	As a		As at	Basel III Regulatory Capital (LKR '000)		25.54	4.000	21 525 557	27.270.5	44	22.404.217
		31.12.2016	31.12.2	2017	31.12.2016	Common Equity Tier 1 Tier 1 Capital		25,564 25,564	4,909	21,725,576 21,725,576	27,370,7 27,370,7	41	23,484,317 23,484,317 28,387,739
By product - Domestic Currency	31.12.2017					Total Capital		29.693	3.823	26.634.140	31.491.2	( )	,,,,
By product - Domestic Currency Overdrafts Term loans	291,862,646	236,225,144	291,862	- 2,646	236,225,144	Total Capital  Regulatory Capital Ratios (%)  Common Equity Tier 1 Capital Ratio (M	inimum Requii	29,693 rement,	3,823	26,634,140	31,491,2	.73	
Overdrafts	291,862,646 23,780,013 3,083,997	236,225,144 20,595,599 2,695,185	291,862 23,780 3,083	0,013	236,225,144 20,595,599 2,695,185	Regulatory Capital Ratios (%) Common Equity Tier 1 Capital Ratio (M 6.25%) Tier 1 Capital Ratio (Minimum Requires	ment, 7.75%)	rement,	11.93 11.93	11.31 11.31	12 12	65 65	12.03 12.03
Overdrafts Term loans Pawning	291,862,646 23,780,013	20,595,599	23,780	0,013 3,997 5,000	20,595,599	Regulatory Capital Ratios (%) Common Equity Tier 1 Capital Ratio (M 6.25%) Tier 1 Capital Ratio (Minimum Requiren Total Capital Ratio (Minimum Requirem Assets Quality (Quality of Loan Portfolio	ment, 7.75%) ent, 11.75%)	rement,	11.93	11.31	12	65 65	
Overdrafts Term loans Pawning Securitization/Trust Certificates Loan to Government	291,862,646 23,780,013 3,083,997 2,075,000	20,595,599 2,695,185 2,075,000	23,780 3,083 2,075	0,013 3,997 5,000 6,902 2,516	20,595,599 2,695,185 2,075,000	Regulatory Capital Ratios (%) Common Equity Tier 1 Capital Ratio (M 6.25%) Tier 1 Capital Ratio (Minimum Requirer Total Capital Ratio (Minimum Requirem Assets Quality (Quality of Loan Portfolio Gross Non - Performing Advances Ratio in Suspense)	ment, 7.75%) ent, 11.75%) o) , % (Net of Inte	rement,	11.93 11.93	11.31 11.31	12 12 14.5	65 65	12.03
Overdrafts Term loans Pawning Securitization/Trust Certificates Loan to Government Staff Loans Securities purchased under resale agreements Other loans Sub total	291,862,646 23,780,013 3,083,997 2,075,000 5,016,902 2,826,289	20,595,599 2,695,185 2,075,000 4,058,183 2,496,838	23,780 3,083 2,075 5,016 1,282	0,013 3,997 5,000 6,902 2,516 9,127	20,595,599 2,695,185 2,075,000 4,058,183 1,698,017	Regulatory Capital Ratios (%) Common Equity Tier 1 Capital Ratio (M 6.25%) Tier 1 Capital Ratio (Minimum Requiren Total Capital Ratio (Minimum Requirem Assets Quality (Quality of Loan Portfolio Gross Non - Performing Advances Ratio.	ment, 7.75%) ent, 11.75%) o) , % (Net of Inte	rement,	11.93 11.93 3.86*	11.31 11.31 13.86	12 12 14.5	65 65 6*	12.03 14.54
Overdrafts Term loans Pawning Securitization/Trust Certificates Loan to Government Staff Loans Securities purchased under resale agreements Other loans  Sub total  By product - Foreign Currency Overdrafts	291,862,646 23,780,013 3,083,997 2,075,000 5,016,902 2,826,289 3,719,127 332,363,975	20,595,599 2,695,185 2,075,000 4,058,183 2,496,838 3,950,010 272,095,959	23,780 3,081 2,075 5,010 1,282 3,719 330,820	0,013 3,997 5,000 6,902 2,516 9,127 <b>0,203</b>	20,595,599 2,695,185 2,075,000 4,058,183 1,698,017 3,950,010 271,297,138	Regulatory Capital Ratios (%) Common Equity Tier 1 Capital Ratio (M 6.25%) Tier 1 Capital Ratio (Minimum Requirer Total Capital Ratio (Minimum Requirem Assets Quality (Quality of Loan Portfolic Gross Non - Performing Advances Ratio, in Suspense) Net Non-Performing Advances, % (Net cand Provisions)  Profitability Interest Margin, % Return on Assets (before Tax), %	ment, 7.75%) ent, 11.75%) o) , % (Net of Inte	rement,  1: erest ispense	11.93 11.93 3.86* 1.34 1.22 2.59 1.46	11.31 11.31 13.86 1.55 1.47 2.89 1.51	12 12 14.5	65 65 6* NR NR 60 41	12.03 14.54 NR NR 2.89 1.51
Overdrafts Term loans Pawning Securitization/Trust Certificates Loan to Government Staff Loans Securities purchased under resale agreements Other loans  Sub total  By product - Foreign Currency Overdrafts Term loans Other loans	291,862,646 23,780,013 3,083,997 2,075,000 5,016,902 2,826,289 3,719,127 332,363,975	20,595,599 2,695,185 2,075,000 4,058,183 2,496,838 3,950,010 272,095,959	23,780 3,083 2,073 5,010 1,283 3,719 330,820	0,013 3,997 5,000 6,902 2,516 9,127 0,203	20,595,599 2,695,185 2,075,000 4,058,183 1,698,017 3,950,010 271,297,138	Regulatory Capital Ratios (%) Common Equity Tier 1 Capital Ratio (M 6.25%) Tier 1 Capital Ratio (Minimum Requirer Total Capital Ratio (Minimum Requirer Assets Quality (Quality of Loan Portfolic Gross Non - Performing Advances Ratio in Suspense) Net Non-Performing Advances, % (Net of and Provisions)  Profitability Interest Margin, % Return on Assets (before Tax), % Return on Equity, %  Regulatory Liquidity	ment, 7.75%) ent, 11.75%) o) , % (Net of Interest in su	rement,  1: erest ispense	11.93 11.93 3.86* 1.34 1.22 2.59 1.46 26.52	11.31 11.31 13.86 1.55 1.47 2.89 1.51 29.37	12 12 14.5 1 2 1 24	65 65 6* NR NR 60 41	12.03 14.54 NR NR 2.89 1.51 28.21
Overdrafts Term loans Pawning Securitization/Trust Certificates Loan to Government Staff Loans Securities purchased under resale agreements Other loans  Sub total  By product - Foreign Currency Overdrafts Term loans	291,862,646 23,780,013 3,083,997 2,075,000 5,016,902 2,826,289 3,719,127 332,363,975	20,595,599 2,695,185 2,075,000 4,058,183 2,496,838 3,950,010 272,095,959	23,780 3,081 2,075 5,010 1,282 3,719 330,820	0,013 3,997 5,000 6,902 2,516 9,127 <b>0,203</b>	20,595,599 2,695,185 2,075,000 4,058,183 1,698,017 3,950,010 271,297,138	Regulatory Capital Ratios (%) Common Equity Tier 1 Capital Ratio (M 6.25%) Tier 1 Capital Ratio (Minimum Requiren Total Capital Ratio (Minimum Requiren Assets Quality (Quality of Loan Portfolic Gross Non - Performing Advances Ratio in Suspense) Net Non-Performing Advances, % (Net can Provisions)  Profitability Interest Margin, % Return on Assets (before Tax), % Return on Equity, %  Regulatory Liquid Assets, Rs.'000 (average Statutory Liquid Assets Ratio, % (Minim Domestic Banking Unit (%)	ment, 7.75%) ent, 11.75%) o) , % (Net of Interest in su	rement,  1: erest ispense  509,079	11.93 11.93 3.86* 1.34 1.22 2.59 1.46 26.52	11.31 11.31 13.86 1.55 1.47 2.89 1.51	12 12 14.5 1 2 1 24	65 65 6* NR NR 60 41	12.03 14.54 NR NR 2.89 1.51
Overdrafts Term loans Pawning Securitization/Trust Certificates Loan to Government Staff Loans Securities purchased under resale agreements Other loans  Sub total  By product - Foreign Currency Overdrafts Term loans Other loans  Sub total	291,862,646 23,780,013 3,083,997 2,075,000 5,016,902 2,826,289 3,719,127 332,363,975	20,595,599 2,695,185 2,075,000 4,058,183 2,496,838 3,950,010 272,095,959	23,786 3,085 2,075 5,016 1,285 3,715 330,826 27,945	0,013 3,997 5,000 6,902 2,516 9,127 <b>0,203</b>	20,595,599 2,695,185 2,075,000 4,058,183 1,698,017 3,950,010 271,297,138	Regulatory Capital Ratios (%) Common Equity Tier 1 Capital Ratio (M 6.25%) Tier 1 Capital Ratio (Minimum Requiren Total Capital Ratio (Minimum Requiren Assets Quality (Quality of Loan Portfolic Gross Non - Performing Advances Ratio in Suspense) Net Non-Performing Advances, % (Net cand Provisions)  Profitability Interest Margin, % Return on Assets (before Tax), % Return on Equity, %  Regulatory Liquidity Statutory Liquid Assets, Rs.'000 (average Statutory Liquid Assets Ratio, % (Minim Domestic Banking Unit (%) Off-Shore banking Unit (%) Liquidity Coverage Ratio (%) - Rupee (Margin Regulatory Liquid Coverage Ratio (%) - Rupee (Margin Regulatory Liquid Coverage Ratio (%) - Rupee (Margin Regulatory Liquidity Coverage Ratio (%) - Rupee (Margin Regulator	ment, 7.75%) ent, 11.75%) o) , % (Net of Interest in su e) num Requirement	rement,  1: erest aspense  509,079 ent, 20%)	11.93 11.93 11.93 3.86* 1.34 1.22 2.59 1.46 26.52 9,407 73.44 NR	11.31 11.31 13.86 1.55 1.47 2.89 1.51 29.37 460,877,014 72.56 NR	12 12 14.5 1 2 1 24	65 65 6* NR NR 60 41 12 NR NR	12.03 14.54 NR NR 2.89 1.51 28.21 NR
Overdrafts Term loans Pawning Securitization/Trust Certificates Loan to Government Staff Loans Securities purchased under resale agreements Other loans  Sub total  By product - Foreign Currency Overdrafts Term loans Other loans  Sub total  Total	291,862,646 23,780,013 3,083,997 2,075,000 5,016,902 2,826,289 3,719,127 332,363,975	20,595,599 2,695,185 2,075,000 4,058,183 2,496,838 3,950,010 272,095,959	23,786 3,085 2,075 5,016 1,285 3,715 330,826 27,945	0,013 3,997 5,000 6,902 2,516 9,127 0,203 	20,595,599 2,695,185 2,075,000 4,058,183 1,698,017 3,950,010 271,297,138	Regulatory Capital Ratios (%) Common Equity Tier 1 Capital Ratio (M 6.25%) Tier 1 Capital Ratio (Minimum Requiren Total Capital Ratio (Minimum Requirem Assets Quality (Quality of Loan Portfolic Gross Non - Performing Advances Ratio in Suspense) Net Non-Performing Advances, % (Net can Provisions)  Profitability Interest Margin, % Return on Assets (before Tax), % Return on Equity, %  Regulatory Liquid Assets, Rs.'000 (average Statutory Liquid Assets Ratio, % (Minim Domestic Banking Unit (%)) Off-Shore banking Unit (%)	ment, 7.75%) ent, 11.75%) o) , % (Net of Interest in su e) num Requireme Minimum e) ency (Minimum	rement,  1.  erest ispense  509,079  21	11.93 11.93 3.86* 1.34 1.22 2.59 1.46 26.52 9,407	11.31 11.31 13.86 1.55 1.47 2.89 1.51 29.37 460,877,014 72.56	12 12 14.5 1 2 1 24	65 65 6* NR NR 60 41 12 NR	12.03 14.54 NR NR 2.89 1.51 28.21 NR
Overdrafts Term loans Pawning Securitization/Trust Certificates Loan to Government Staff Loans Securities purchased under resale agreements Other loans  Sub total  By product - Foreign Currency Overdrafts Term loans Other loans  Sub total  Total  02. Due to Other Customers - by product  In Rupees Thousand	291,862,646 23,780,013 3,083,997 2,075,000 5,016,902 2,826,289 3,719,127 332,363,975  27,945,891 27,945,891 360,309,866  Ban	20,595,599 2,695,185 2,075,000 4,058,183 2,496,838 3,950,010 272,095,959  19,880,983 - 19,880,983 291,976,942	23,786 3,085 2,075 5,016 1,285 3,719 330,826 27,945 27,945	0,013 3,997 5,000 6,902 2,516 9,127 0,203	20,595,599 2,695,185 2,075,000 4,058,183 1,698,017 3,950,010 271,297,138 19,880,983 19,880,983 291,178,121	Regulatory Capital Ratios (%) Common Equity Tier 1 Capital Ratio (M 6.25%) Tier 1 Capital Ratio (Minimum Requirer Total Capital Ratio (Minimum Requirer Assets Quality (Quality of Loan Portfolic Gross Non - Performing Advances Ratio, in Suspense) Net Non-Performing Advances, % (Net cand Provisions)  Profitability Interest Margin, % Return on Assets (before Tax), % Return on Equity, %  Regulatory Liquidity Statutory Liquid Assets, Rs.'000 (average Statutory Liquid Assets Ratio, % (Minim Domestic Banking Unit (%) Off-Shore banking Unit (%) Liquidity Coverage Ratio (%) - Rupee (N Requirement: 2017 - 80%, 2016 - 70% Liquidity Coverage Ratio (%) - All curre Requirement: 2017 - 80%, 2016 - 70%  Note: NR - Not Relevant	ment, 7.75%) ent, 11.75%) o) , % (Net of Interest in su e) num Requireme Minimum e) ency (Minimum e)	rement,  1: erest ispense  509,079  21  33  11  37	11.93 11.93 11.93 3.86* 1.34 1.22 2.59 1.46 26.52 9,407 77.44 NR	11.31 11.31 13.86 1.55 1.47 2.89 1.51 29.37 460,877,014 72.56 NR 379.26 393.96	12 12 14.5 1 2 1 24	65 65 68 NR NR 60 41 112 NR NR NR NR	12.03 14.54 NR NR 2.89 1.51 28.21 NR NR NR
Overdrafts Term loans Pawning Securitization/Trust Certificates Loan to Government Staff Loans Securities purchased under resale agreements Other loans  Sub total  By product - Foreign Currency Overdrafts Term loans Other loans  Sub total  Total  O2. Due to Other Customers - by product  In Rupees Thousand  By product - Domestic Currency Savings deposits	291,862,646 23,780,013 3,083,997 2,075,000 5,016,902 2,826,289 3,719,127 332,363,975  27,945,891 27,945,891 360,309,866  Ban As at 31.12,2017	20,595,599 2,695,185 2,075,000 4,058,183 2,496,838 3,950,010 272,095,959  19,880,983 291,976,942  k  As at 31.12.2016	23,786 3,085 2,075 5,010 1,285 3,719 330,820 27,945 27,945 358,766	0,013 3,997 5,000 6,902 2,516 9,127 0,203 5,891 	20,595,599 2,695,185 2,075,000 4,058,183 1,698,017 3,950,010 271,297,138 19,880,983 291,178,121 As at 31.12.2016	Regulatory Capital Ratios (%) Common Equity Tier 1 Capital Ratio (M 6.25%) Tier 1 Capital Ratio (Minimum Requirer Total Capital Ratio (Minimum Requirer Assets Quality (Quality of Loan Portfolic Gross Non - Performing Advances Ratio in Suspense) Net Non-Performing Advances, % (Net of and Provisions)  Profitability Interest Margin, % Return on Assets (before Tax), % Return on Equity, %  Regulatory Liquidity Statutory Liquid Assets, Rs.'000 (average Statutory Liquid Assets Ratio, % (Minim Domestic Banking Unit (%) Off-Shore banking Unit (%) Liquidity Coverage Ratio (%) - Rupee (N Requirement: 2017 - 80%, 2016 - 70% Liquidity Coverage Ratio (%) - All curre Requirement: 2017 - 80%, 2016 - 70%  Note: NR - Not Relevant * - Revaluation gain on Land and Bu Bank of Sri Lanka.  CERTIFICATION:	ment, 7.75%) ent, 11.75%) o) , % (Net of Interest in su of Interest in su e) num Requireme Minimum o) ency (Minimum o) ildings as at 31.1	rement,  11.  erest  ispense  509,079  2.  11.  12.2017 has not been	11.93 11.93 11.93 3.86* 1.34 1.22 2.59 1.46 26.52 9,407 73.44 NR 77.57 76.18	11.31 11.31 13.86 1.55 1.47 2.89 1.51 29.37 460,877,014 72.56 NR 379.26 393.96	12 12 14.5 1 2 1 24	65 65 68 NR NR 60 41 12 NR NR NR NR	12.03 14.54 NR NR 2.89 1.51 28.21 NR NR NR NR
Overdrafts Term loans Pawning Securitization/Trust Certificates Loan to Government Staff Loans Securities purchased under resale agreements Other loans  Sub total  By product - Foreign Currency Overdrafts Term loans Other loans  Sub total  Total  O2. Due to Other Customers - by product  In Rupees Thousand  By product - Domestic Currency	291,862,646 23,780,013 3,083,997 2,075,000 5,016,902 2,826,289 3,719,127 332,363,975  27,945,891 27,945,891 360,309,866  Ban As at 31.12.2017	20,595,599 2,695,185 2,075,000 4,058,183 2,496,838 3,950,010 272,095,959  19,880,983 - 19,880,983 291,976,942  k  As at 31.12.2016	23,786 3,085 2,075 5,010 1,285 3,719 330,820 27,945 27,945 358,766	0,013 3,997 5,000 6,902 2,516 9,127 0,203  5,891 - 5,891 6,093  Group at 2017	20,595,599 2,695,185 2,075,000 4,058,183 1,698,017 3,950,010 271,297,138 19,880,983 291,178,121 As at 31.12.2016	Regulatory Capital Ratios (%) Common Equity Tier 1 Capital Ratio (M 6.25%) Tier 1 Capital Ratio (Minimum Requirer Total Capital Ratio (Minimum Requirer Assets Quality (Quality of Loan Portfolic Gross Non - Performing Advances Ratio in Suspense) Net Non-Performing Advances, % (Net of and Provisions)  Profitability Interest Margin, % Return on Assets (before Tax), % Return on Equity, %  Regulatory Liquidity Statutory Liquid Assets, Rs.'000 (average Statutory Liquid Assets Ratio, % (Minim Domestic Banking Unit (%) Off-Shore banking Unit (%) Liquidity Coverage Ratio (%) - Rupee (N Requirement: 2017 - 80%, 2016 - 70%  Note: NR - Not Relevant * Revaluation gain on Land and Bu Bank of Sri Lanka.	ment, 7.75%) ent, 11.75%) o) , % (Net of Interest in su of Interest in su e) num Requireme Minimum o) ency (Minimum o) ildings as at 31.1	rement,  11.  erest  ispense  509,079  2.  11.  12.2017 has not been	11.93 11.93 11.93 3.86* 1.34 1.22 2.59 1.46 26.52 9,407 73.44 NR 77.57 76.18	11.31 11.31 13.86 1.55 1.47 2.89 1.51 29.37 460,877,014 72.56 NR 379.26 393.96	12 12 14.5 1 2 1 24	65 65 68 NR NR 60 41 12 NR NR NR NR	12.03 14.54 NR NR 2.89 1.51 28.21 NR NR NR NR

Sgd. Aswin De Silva

Chairman

12th March 2018, Colombo

2,763,962

5,713,564

8,477,526

657,280,315

2,990,433

6,373,341

9,363,774

737,212,640

Savings deposits

Fixed deposits

Other deposits

Sub total

Total

2,763,962

5,713,564

8,477,526

657,280,315

2,990,433

6,373,341

9,363,774

737,212,640

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 has been extracted from the audited Financial Statements of the Bank and its subsidiary company.

Sgd. S D N Perera General Manager/CEO