

NATIONAL SAVINGS BANK

FINANCIAL STATEMENTS

For the three months ended 31st March, 2018

INCOME	STATEM	IENT			
	Ba	ank	Grou	p	
For the three months ended 31st March	2018 2017 Rs. '000 Rs. '000		2018 Rs. '000	2017 Rs. '000	
Income	28,087,867	24,219,973	28,299,005	24,426,208	
Interest income Interest expenses	27,584,080 (20,657,894)	23,891,947 (17,977,991)	27,823,371 (20,807,156)	24,139,251 (18,154,282)	
Net interest income Fee and commission income Fee and commission expenses	6,926,186 200,225 (35,821)	5,913,956 169,621 (13,374)	7,016,215 200,695 (36,122)	5,984,969 172,287 (13,949)	
Net fee and commission income Net gain/(loss) from trading Net gain/(loss) from financial investments Net gain/(loss) from financial instruments at fair value through profit or loss Net gain/(loss) on derecognition of financial assets measured	164,404 91,788 -	156,247 (770) 8,917	164,573 63,632	158,338 (29,187) 8,917	
Net gain/(loss) on derecognition of financial assets measured at fair value through other comprehensive income Other operating income (net)	3,270 208,505	150,258	3,270 208,037	- 134,940	
Total operating income	7,394,153	6,228,608	7,455,727	6,257,977	
Credit loss expense on loans and receivables Individual impairment Collective impairment Credit loss expense on other finance assets Individual impairment Collective impairment	(229,694)	(87,316)	(229,694)	(87,316)	
Net operating income Personnel expenses Depreciation and amortization Other expenses	7,166,199 (2,341,756) (137,700) (942,754)	6,141,293 (1,752,534) (84,444) (899,018)	7,227,776 (2,350,373) (137,950) (936,247)	6,170,662 (1,759,477) (84,607) (893,120)	
Operating profit/(loss) before Value Added Tax (VAT) and Nation Building Tax Value Added Tax on financial services Nation Building Tax on financial services	3,743,990 (772,333) (102,978)	3,405,297 (652,046) (86,939)	3,803,206 (781,065) (104,142)	3,433,457 (658,461) (87,794)	
Operating profit/(loss) after Value Added Tax (VAT) and Nation Building Tax Share of profits of associates and joint ventures	2,868,678	2,666,311	2,917,999	2,687,202	
Profit/(loss) before tax Income tax expenses	2,868,678 (1,058,843)	2,666,311 (896,183)	2,917,999 (1,075,692)	2,687,202 (906,831)	
Profit/(loss) for the period	1,809,835	1,770,128	1,842,307	1,780,371	
Profit attributable to: Equity holders of the Bank Non-controlling interests	1,809,835	1,770,128	1,842,307	1,780,371	
Earnings per share on profit Earnings per ordinary share - Basic (Rs.) Earnings per ordinary share - Diluted (Rs.)	2.70 2.70	2.86 2.86	2.75 2.75	2.87 2.87	

STATEMENT OF COMPREHENSIVE INCOME							
	В	Bank	Gr	oup			
For the three months ended 31st March	2018 Rs. '000	2017 Rs. '000	2018 Rs. '000	2017 Rs. '000			
Profit for the period	1,809,835	1,770,128	1,842,307	1,780,371			
Other comprehensive income, net of taxes							
Other comprehensive income to be reclassified to Income Statement Net gains/(losses) on cash flow hedges Net gains/(losses) on debt instruments at fair value through other	(182,022)	(1,850)	(182,022)	(1,850)			
comprehensive income Gains/(losses) on re-measuring available-for-sale financial assets Fair value gains transferred to the Income Statement on disposal	(15,089)	(81,422)	(13,843)	(80,569)			
of debt instruments at fair value through other comprehensive income Fair value gains transferred to the Income Statement on disposal of available-for-sale financial assets	2,527	-	2,527	-			
Total other comprehensive income to be reclassified to Income Statement	(194,585)	(83,272)	(193,338)	(82,419)			
Other comprehensive income not to be reclassified to Income Statement Net gains/(losses) on revaluation of Property, Plant and Equipment Net gains/(losses) on equity instruments at fair value through other comprehensive income Actuarial gains/(losses) on retirement benefit plans	(114,577)	- - -	- (114,577) 172	- - -			
Total other comprehensive income not to be reclassified to Income Statement	(114,577)	-	(114,405)	-			
Other comprehensive income for the period, net of taxes	(309,162)	(83,272)	(307,743)	(82,419)			
Total comprehensive income for the period	1,500,674	1,686,857	1,534,563	1,697,953			
Attributable to: Equity holders Explanatory Notes:-	1,500,674	1,686,857	1,534,563	1,697,953			

STATEMENT OF FINANCIAL POSITION								
	В	ank	Gro	пр				
	As at 31.03.2018 Rs. '000	As at 31.12.2017 Rs. '000 Audited	As at 31.03.2018 Rs. '000	As at 31.12.2017 Rs. '000 Audited				
Assets								
Cash and cash equivalents	3,500,399	3,849,627	3,512,681	3,854,086				
Balances with central banks	-	-	19	94				
Placements with banks	32,700,258	23,438,104	32,700,258	23,438,104				
Derivative financial instruments	1,225,588	1,360,714	1,225,588	1,360,714				
Other financial assets held-for-trading	5,101,373	6,472,314	10,278,180	9,389,950				
Debt instruments at fair value through other comprehensive income	1,541,583	-	3,520,830	-				
Equity instruments at fair value through other comprehensive income	4,326,374	-	4,327,374	-				
Financial investments - Available-for-sale	-	5,693,829	-	7,713,852				
Loans and receivables to banks at amortised cost	26,145,276	27,714,565	26,145,276	27,971,234				
Loans and receivables to other customers at amortised cost	370,262,587	360,309,866	368,765,577	358,766,093				
Financial investments - Held-to-maturity	-	544,273,077	-	547,924,390				
Debt instruments at amortised cost	551,957,602	-	555,935,341	-				
Investments in subsidiaries	900,000	900,000	-	-				
Property, plant and equipment	12,150,625	12,015,376	12,153,708	12,018,679				
Intangible assets	503,184	380,308	503,511	380,655				
Deferred tax assets	-	-	-	-				
Other assets	30,414,826	25,695,689	30,708,198	25,976,944				
Total assets	1,040,729,678	1,012,103,470	1,049,776,544	1,018,794,797				
Liabilities								
Due to banks	135,970	180,439	1,009,625	828,433				
Derivative financial instruments	2,017,167	956,937	2,017,167	956,937				
Due to other customers	764,666,357	737,212,640	764,666,357	737,212,640				
Other borrowings	216,842,602	217,955,777	223,817,021	222,771,969				
Current tax liabilities	-	-	90,110	137,344				
Deferred tax liabilities	517,252	507,063	517,551	507,138				
Other liabilities	8,963,424	9,062,425	8,993,303	9,107,460				
Subordinated liabilities	6,198,740	6,006,411	6,198,740	6,006,411				
Total liabilities	999,341,512	971,881,692	1,007,309,874	977,528,332				
Equity	< = 00.000	< = 00.000	< = 00.000	< = 00.000				
Stated capital/Assigned capital	6,700,000	6,700,000	6,700,000	6,700,000				
Statutory reserve fund	3,093,444	3,002,952	3,093,444	3,002,952				
Retained earnings	3,631,970	2,228,885	4,233,265	2,805,727				
Other reserves Total shareholders' equity	27,962,752 41,388,166	28,289,941	28,439,961 42,466,670	28,757,786				
	11,500,100	10,221,770	12,100,070	11,200,103				
Total equity	41,388,166	40,221,778	42,466,670	41,266,465				
Total equity and liabilities	1,040,729,678	1,012,103,470	1,049,776,544	1,018,794,797				
Contingent liabilities and commitments	17,218,135	18,320,312	17,218,135	18,320,312				
Memorandum Information								
Number of Employees (Nos.)	4,514	4,470						
Number of Branches (Nos.)	253	253						
	233	255						

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

Explanatory Notes:

There are no changes to the accounting policies and methods of computation since the publication of annual accounts for the year 2017 except the application of SLFRS - 09. The Bank has applied SLFRS - 09 effective from 01/01/2018 for the preparation of Financial Statements in replacement of LKAS-39.

The Bank has not restated comparative information for 2017 for financial instruments in the scope of SLFRS 09. Therefore, the comparative information for 2017 is reported under LKAS 39 and is not comparable to the information presented for 2018. Differences arising from the adoption of SLFRS 09 have been recognized directly in retained earnings as of 1 January 2018. There are no material events taken place after the reporting period, which requires adjustment or disclosure in this Financial Statements.

STATEMENT OF CHANGES IN EQUITY - BANK										
In Rupees Thousand										
For the three months ended 31.03.2017	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 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 period	-1	-1	-'	(01.422)	1 250	1,770,128	-	1,770,128		
Other comprehensive income net of tax	-1	-1	- '	(81,422)	(1,850)	-	(12.020)	(83,272)		
Transfers to unclaimed deposits reserve	-1	-1		- '	-1	(1 200 200)	(13,938)	(13,938)		
Contribution to the Consolidated Fund - Dividend/Levy Contribution to National Insurance Trust Fund	-1	-1	- 1	- '	-1	(1,209,209) (17,701)	-	(1,209,209) (17,701)		
Transfers during the period	[1	1 -1	88,506	1	1 2	(88,506)	- [(17,701)		
C 1	<u> </u>	<u>+</u> '	· ·	<u> </u>	 	` ` ′	<u> </u>			
Balance as at 31st March 2017	6,200,000	3,296,565	2,610,973	1,297,396	1 -!	2,834,019	16,452,632	32,691,588		
For the three months ended 31.03.2018	Stated Capital / Assigned apital	Revaluation Reserve	Statutory Reserve Fund	Available for Sale Reserve / Fair Value Reserve	Cash Flow Hedging Reserve	Retained Earnings	Other Reserves	Total Equity		
Balance as at 1st January 2018	6,700,000	7,793,317	3,002,952	1,345,237	291,924	2,228,885	18,859,461	40,221,778		
Impact of adopting SLFRS 9		<u> </u>	<u> </u>	<u> </u>	'	(298,160)		(298,160)		
Re-stated opening balance under SLFRS 9	6,700,000	7,793,317	3,002,952	1,345,237	291,924	1,930,725	18,859,461	39,923,618		
Net Profit for the period	_1	-1	-'	-	-!	1,809,835	-	1,809,835		
Other comprehensive income net of tax	_1	1 -1	-'	-	(182,022)	-	-	(182,022)		
Net change in fair value of debt instrument of Fair Value	1	1	1		1		1			
through other Comprehensive Income	-1	-1	-'	(12,562)	-1	-	-	(12,562)		
Net change in fair value of equity instrument of Fair	1	1	1		1		1	[
Value through other Comprehensive Income	-1	1	- '	(114,577)	-1	-	-	(114,577)		
Transfers to unclaimed deposits reserve	-1	1	- '	-	-1	-	(18,028)	(18,028)		
Contribution to the Consolidated Fund-Dividend/Levy	-1	1	- '	-	-1	-	-			
Contribution to National Insurance Trust Fund	-1	1	00.400	-	-1	(18,098)	-	(18,098)		
Transfers during the Period Balance as at 31st March 2018	6 700 000	7.702.217	90,492	1,218,098	109,902	(90,492)	10 041 422	41 200 166		
Balance as at 31st March 2016	6,700.000	7,793,317	3,093,444	1,218,098	109,902	3,631,970	18,841,433	41,388,166		
STATEMENT OF CHANGES IN EQUITY - GROUP										

STATEMENT (OF CHANGES	IN EQU	ITY - GROUP

	STATEMENT OF CHANGES IN EQUIT 1 - GROUT										
In Rupees Thousand											
For the three months ended 31.03.2017	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 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 period	-	-	-	-	-	1,780,371	-	1,780,371			
Other comprehensive income net of tax	-	-	-	(80,569)	(1,850)	-	-	(82,419)			
Transfers to unclaimed deposits reserve	-	-	-	-	-	-	(13,938)	(13,938)			
Contribution to the Consolidated Fund - Dividend/Levy	-	-	-	-	-	(1,210,859)	-	(1,210,859)			
Contribution to National Insurance Trust Fund	-	-	-	-	-	(17,701)	6,273	(17,701)			
Transfers during the period	-	-	88,506	-	-	(94,779)		-			
Balance as at 31st March 2017	6,200,000	3,296,565	2,610,973	1,016,189	-	4,165,647	16,952,867	34,242,243			
For the three months ended 31.03.2018	Stated Capital / Assigned Capital	Revaluation Reserve	Statutory Reserve Fund	Available for Sale Reserve /Fair Value Reserve	Cash Flow Hedging Reserve	Retained Earnings	Other Reserves	Total Equity			
Balance as at 1st January 2018	6,700,000	7,793,317	3,002,952	1,228,420	291,924	2,805,727	19,444,122	41,266,465			
Impact of adopting SLFRS 9	-	-	-	-	-	(298,232)	-	(298,232)			
Re-stated opening balance under SLERS 0	6 700 000	7 702 217	2 002 052	1 228 420	201 024	2 507 405	10 444 122	40 068 233			

6,700,000 7,793,317 2,507,495 3,002,952 1,228,420 291,924 Net Profit for the period 1,842,307 1,842,307 Other comprehensive income net of tax (182,022) (181,850) Net change in fair value of debt instrument of Fair Value through other Comprehensive Income (11,316)(11,316) Net change in fair value of equity instrument of Fair Value through other Comprehensive Income (114,577) (114,577)Transfers to unclaimed deposits reserve (18,028)(18,028) Contribution to the Consolidated Fund-Dividend/Levy Contribution to National Insurance Trust Fund (18,098)(18,098)90,492 Transfers during the Period (98,610) 6,700.000 19,434,212 42,466,670 Balance as at 31st March 2018 7,793,317 3,093,444 1,102,527 109,902 4,233,265



NATIONAL SAVINGS BANK

FINANCIAL STATEMENTS

AAA(Ika)

to be rated AAA

ended 31st March, 2018

			F	or th	e thr	ee 1	mont
ANALYSIS OF FINANCI	AL INS	STRUMEN	TS BY I	MEASUR	EMENT	BASIS	- BANK
a. Bank - as at 31.03.2018							
- F	Held for Trading	Fair Value through OCI	Held to Maturity	Amortised Cost	Available for Sale	Hedging	Total
ASSETS Cash and cash equivalents	-	-	-	3,500,399	-	-	3,500,399
Balances with central banks Placement with banks Derivative financial instruments	-	-	-	32,700,258	-	1,225,588	32,700,258 1,225,588
	5,101,373	-	-	-	-	1,223,388	5,101,373
through profit or loss Equity instruments	-	4,326,374	-	-	-	-	4,326,374
Loans and receivable to banks Loans and receivable to other customers	-		-	26,145,276 370,262,587	-	-	26,145,276 370,262,58°
Debt instruments Total financial assets	5,101,373	1,541,583 5,867,957	-	551,957,602 984,566,122	-	1,225,588	553,499,18 996,761,04
In Rupees Thousand			Held for	Designated	Amortised	Hedging	Total
LIABILITIES			Trading	at Fair value	Cost		
Due to banks Derivative financial instruments			-	-	135,970 2,017,167	2,017,1	- 135,970 67 2,017,16
Due to other customers Other borrowings			-		764,666,357 216,842,602	2,017,1	- 764,666,35 - 216,842,60
Subordinated liabilities Total financial liabilities			-	<u>-</u>	6,198,740 987,843,669	2,017,1	- 6,198,740 67 989,860,8 3
b. Bank - as at 31.12.2017 (Audited)							
` ′	Held for	Designated at	Held to	Amortised	Available	Hedging	Total
	Trading	Fair value	Maturity	Cost	for Sale	Treuging	Total
ASSETS Cash and cash equivalents	-	-	-	3,849,627	-	-	3,849,627
Balances with central banks Placement with banks	-	-	-	23,438,104	-	-	23,438,104
Derivative financial instruments	- -	-	-	25, 7 50,104 -	-	1,360,714	1,360,71
Other financial assets held for trading Other financial assets at fair value	5,472,314	-	-	-	-	-	6,472,314
through profit or loss Loans and receivable to banks	-	- -	-	27,714,565	-	-	27,714,56
Loans and receivable to other customers	-	-	-	360,309,866	-	-	360,309,866
Financial investments Total financial assets	5,472,314		14,273,077 14,273,077	415,312,162	5,693,829 5,693,829	1,360,714	549,966,905 973,112,09 5
I D TI I							
In Rupees Thousand			Held for Trading	Designated at Fair value	Amortised Cost	Hedging	Total
LIABILITIES Due to banks			_	_	180,439	-	180,439
Derivative financial instruments Due to other customers			-	-	737,212,640	956,937 -	956,937 737,212,640
Other borrowings Subordinated liabilities			-	-	217,955,777 6,006,411	-	217,955,777 6,006,411
Total financial liabilities			-	-	961,355,267	956,937	962,312,204
		THE FINA	NCIAL	STATEM	ENT		
01. Loans and Receivables to Other Cu	stomers		Bank			Group	
In Rupees Thousand			s at 3.2018	As at 31.12.2017	As a 31.03.2		As at 31.12.2017
Gross loans and receivables (Less): Individual impairment		372,8	04,018	362,608,207	371,307	7,008	361,064,434
Collective impairment (Note - a)		(2,5	541,431)	(2,298,341)	(2,54)	1,431)	(2,298,341)
Net loans and receivables including those designated at fair value through profit or lo (Less): Loans and receivables designated at		370,2	62,587	360,309,866	368,765	5,577	358,766,093
value through profit or loss Net loans and receivables (Note - b)		370.2	62,587	360,309,866	368,765	- 5.577	358,766,093
Note - a. Movements in Individual and C	ollective Im	pairment during	the period	for Loans and	Receivables t	o Other C	ustomers
In Rupees Thousand			Bank s at	As at	As a		As at
Individual impairment		31.03	3.2018	31.12.2017	31.03.2	2018	31.12.2017
Opening balance Charge/(Write back) to Income Statemer	nt		-	-	-		-
Write-off during the year Other movements			- -	-	-		-
Closing balance Collective impairment			-	-	-		-
Opening balance SLFRS 09 adjustment to opening balance		2,2	98,341 18,466	1,731,772	2,298 18	3,341 3,466	1,731,772
Opening balance after SLFRS 09 adjustr Charge/(Write back) to Income Statemer	ment to	,	16,807 29,439	1,731,772 693,233	2,316 229	5,807 9,439	1,731,772 693,233
Other movements/Interest waive off Closing balance		2.5	(4,815) 41,431	(126,664) 2,298,341	2,541	1,815)	(126,664) 2,298,341
Total impairment		2,5	41,431	2,298,341	2,541		2,298,341
Note - b. Loans and Receivables to Oth	ner Custom	ers - by product	Bank	<u> </u>		Group	
In Rupees Thousand			s at 3.2018	As at 31.12.2017	As a 31.03.2	ıt	As at 31.12.2017
By product - Domestic Currency Overdrafts			-	-		_	-
Term loans			08,684	291,862,646	299,808		291,862,646
Pawning Securitization/Trust Certificates			19,577 18,536	23,780,013 3,083,997	24,819 3,918		23,780,013 3,083,997
Loan to Government Staff Loans		2,0	30,000 42,582	2,075,000 5,016,902	2,030 5,242	<i>'</i>	2,075,000 5,016,902
Securities purchased under resale agreen	nents	3,0	20,409	2,826,289	1,523	3,399	1,282,516
Other loans Sub total			77,146 16,935	3,719,127 332,363,975	3,677		3,719,127 330,820,203
By product - Foreign Currency		342,3	- ~,> ~ ~	222,000,713	571,015	,- = 0	22 0,020,2UJ
Overdrafts Term loans		27,7	45,652	27,945,891	27,745	5,652	27,945,891
Other loans Sub total		27,7	45,652	27,945,891	27,745	5,652	27,945,891
Total	ot.		62,587	360,309,866	368,765		358,766,093
02. Due to Other Customers - by produ	cı		Bank	ζ		Group	
In Rupees Thousand			s at 3.2018	As at 31.12.2017	As a 31.03.2		As at 31.12.2017
By product - Domestic Currency Savings deposits			37,294	185,201,449	190,237		185,201,449
Fixed deposits		ŕ	71,913	542,647,417	564,971		542,647,417
Other deposits		=== -	- 00 207	707 040 066	855.600	-	777 040 077
Sub total By product - Foreign Currency		<u> </u>	09,207	727,848,866	755,209	,,4U /	727,848,866
Savings deposits Fixed deposits		,	18,693 38,457	2,990,433 6,373,341	3,018 6,438	′	2,990,433 6,373,341
Other deposits		0,4	- · · · · · · · · · · · · · · · · · · ·	0,212,341 -	0,438	-	- - -
				9.363.774	9.457		

9,457,150

764,666,357

9,363,774

737,212,640

9,457,150

764,666,357

Sub total

Total

ANALYSIS OF FINANC	TAL INS	TRUMEN	TS BY M	IEASURI	EMENT	BASIS -	GROUP	
. Group - as at 31.03.2018								
n Rupees Thousand	Held for Trading	Fair value through OCI	Held to Maturity	Amortised Cost	Available for Sale	Hedging	Total	
ASSETS				2.712.404			2.512.60	
Cash and cash equivalents Balances with central banks	-	-	-	3,512,681 19	-	-	3,512,68 1	
Placement with banks	-	-	-	32,700,258	-	-	32,700,25	
Derivative financial instruments	-	-	-	-	-	1,225,588	1,225,58	
Other financial assets held for trading	10,278,180	-	-	-	-	-	10,278,18	
Other financial assets at fair value through profit Equity instruments	it or loss -	4,327,374	-	-	-	-	4,327,37	
coans and receivable to banks	-	-,527,574	_	26,145,276	_	-	26,145,27	
oans and receivable to other customers	-	-	-	368,765,577	-	-	368,765,57	
Debt instruments	-	3,520,830	-	555,935,341	-	-	559,456,17	
otal financial assets	10,278,180	7,848,204	-	987,059,152	-	1,225,588	1,006,411,12	
n Rupees Thousand			Held for	Designated	Amortised	Hedging	Total	
JABILITIES			Trading	at Fair value	Cost		<u> </u>	
Oue to banks			-	-	1,009,625	_	1,009,62	
Derivative financial instruments			-	-	-	2,017,167		
Oue to other customers			-		764,666,357	-	764,666,35	
Other borrowings subordinated liabilities			-	-	223,817,021	-	223,817,02	
			-		6,198,740	2.017.167	6,198,74	
otal financial liabilities			-	-	995,691,743	2,017,167	997,708,91	
. Group - as at 31.12.2017 (Audited)								
n Rupees Thousand	Held for Trading	Designated at Fair value	Held to Maturity	Amortised Cost	Available for Sale	Hedging	Total	
ASSETS								
Cash and cash equivalents	-	-	-	3,854,086	-	-	3,854,08	
salances with central banks	-	-	-	94	-	-	22 420 10	
lacement with banks Derivative financial instruments	-	-	-	23,438,104	-	1,360,714	23,438,10 1,360,71	
Other financial assets held for trading	9,389,950	-	_	-	-	-	9,389,95	
Other financial assets at fair value								
through profit or loss	-	-	-	-	-	-	27.071.22	
oans and receivable to banks	-	-	-	27,971,234 358,766,093	-	-	27,971,23 358,766,09	
inancial investments	-	-	547,924,390	-	7,713,852	-	555,638,24	
otal financial assets	9,389,950	-	547,924,390	414,029,610	7,713,852	1,360,714	980,418,51	
n Rupees Thousand				Designated at Fair value		Hedging	Total	
			Trading	lat ran vande	Lust		1	
LIABILITIES					020 422		000 40	
Oue to banks Derivative financial instruments			-	-	828,433	956,937	828,43 956,93	
Oue to other customers			_	_	737,212,640	-	737,212,64	
Other borrowings			-		222,771,969	-	222,771,96	
ubordinated liabilities			-		6,006,411	-	6,006,41	
otal financial liabilities			-	-	966,819,453	956,937	967,776,39	
	CAS	H FLOW	STATEM	IENT				
			Bank			Group		
		31 (31 03 2017	*			
			31.03.2018 31.03.2017 Rs.'000 Rs.'000			31.03.2018 31.03.2017 Rs.'000 Rs.'000		
		N.	5. UUU	113. 000	13. (,,,,,	123. 000	

CASH FL	CASH FLOW STATEMENT								
	В	ank	Gr	oup					
	31.03.2018 Rs.'000	31.03.2017 Rs.'000	31.03.2018 Rs.'000	31.03.2017 Rs.'000					
Cash flows from operating activities									
Profit before tax	2,868,678	2,666,311	2,917,999	2,687,202					
Adjustment for:									
Non-cash items included in profit before tax Change in operating assets Change in operating liabilities Placement with banks Contribution paid to defined benefit plans Tax paid Interest expense on subordinated debt Contribution paid to national insurance trust fund	126,440 (19,738,723) 28,526,179 (9,263,215) (112,039) (1,048,654) 192,329 (20,624)	60,838 (7,204,726) 3,217,382 920,389 (565,249) (883,667)	173,163 (22,173,007) 28,736,857 (9,263,215) (112,039) (1,112,513) 192,329 (20,624)	61,001 (5,594,271) 934,435 920,389 (565,249) (883,667)					
Dividends received from investment in subsidiaries	-	(14,850)	-	-					
Net cash generated from operating activities	1,530,372	(1,815,059)	(661,050)	(2,451,647)					
Cash flows from investing activities Purchase of property, plant and equipment Proceeds from the sale of property, plant and equipment Net (Increase)/Decrease in investment in Available-for-sale Net (Increase)/Decrease in debt instruments at fair value through other comprehensive income Net (Increase)/Decrease in equity instruments at fair value through other comprehensive income Net purchase of intangible assets Net Increase/(Decrease) in unclaimed reserve fund Dividends received from investment in subsidiaries Net cash (used in)/from investing activities	(239,435) 1,070 - (304,812) (160,678) (18,028) -	(50,423) 3,988 (1,904,441) - (50,026) (13,938) 14,850 (1,999,991)	(239,444) 1,070 - (463,780) 199,920 (160,678) (18,028)	(50,423) 3,988 (1,864,250) - (50,026) (13,938)					
	(721,003)	(1,999,991)	(000,939)	(1,974,049)					
Cash flows from financing activities Interest paid on subordinated debt Dividend paid to shareholders of the parent company Withholding Tax on Dividend paid Contribution to consolidated fund-(Dividend)/Levy Other borrowings Proceeds from the issue of subordinated debt	- - - (1,113,175) -	(1,209,209) 4,499,361	1,045,052	(1,210,859) 5,099,173					
Net cash from financial activities	(1,113,175)	3,290,152	1,045,052	3,888,314					
Net increase/(decrease) in cash & cash equivalents Cash and cash equivalents at the beginning of the year Cash and cash equivalents at the end of the period	(304,686) 3,669,188 3,364,502	(524,898) 4,504,308 3,979,410	(296,937) 3,673,741 3,376,804	(537,983) 4,512,715 3,974,732					

SELECTED PERFORMANCE INDICA	TORS (AS	S PER REGULA	ATORY RE	EPORTING)
	В	ank	(Group
	As at 31.03.2018	As at 31.12.2017	As at 31.03.2018	As at 31.12.2017
Basel III				
Regulatory Capital (LKR '000)				
Common Equity Tier 1	25,247,387	25,564,909	27,056,246	27,370,741
Tier 1 Capital	25,247,387	25,564,909	27,056,246	27,370,741
Total Capital	32,234,896	32,808,403	34,035,439	34,605,855
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital Ratio (Minimum Requirement,				
2018 - 7.375%, 2017 - 6.25%)	10.93	11.93	11.60	12.65
Tier 1 Capital Ratio (Minimum Requirement,	10.93	11.93	11.60	12.65
2018 - 8.875%, 2017 - 7.75%)				
Total Capital Ratio (Minimum Requirement,	13.95	15.31	14.59	16.00
2018 - 12.875%, 2017 - 11.75%)				
Assets Quality (Quality of Loan Portfolio)				
Gross Non - Performing Advances Ratio, % (Net of Interest				
in Suspense)	1.47	1.34	NR	NR
Net Non-Performing Advances, % (Net of Interest in suspense				
and Provisions)	1.33	1.22	NR	NR
Profitability	0.74	2.50	2.75	2.60
Interest Margin, %	2.74	2.59	2.75	2.60
Return on Assets (before Tax), %	1.13	1.46	1.14	1.41
Return on Equity, %	17.99	26.52	17.85	24.12
Regulatory Liquidity				
Statutory Liquid Assets, Rs.'000 (average)	533,830,407	509,079,407	NR	NR
Statutory Liquid Assets Ratio, % (Minimum Requirement, 20%)				
Domestic Banking Unit (%)	72.80	73.44	NR	NR
Off-Shore banking Unit (%)	NR	NR	NR	NR
Liquidity Coverage Ratio (%) - Rupee (Minimum				
Requirement: 2018 - 90%, 2017 - 80%)	364.25	377.57	NR	NR
Liquidity Coverage Ratio (%) - All currency (Minimum				
Requirement: 2018 - 90%, 2017 - 80%)	362.86	376.18	NR	NR
Note: NR - Not Relevant				
<u>CERTIFICATION</u> :				
I certify that the above Financial Statements give a true and fair view of the State of A	ffairs of the Bank and	d its subsidiary as at 31st March	1 2018 and the profits	for the three months then end

nded.

Aswin De Silva Chairman

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 unaudited Financial Statements of the Bank and its subsidiary mpany unless indicated as audited.

Sgd.
S D N Perera
General Manager/CEO

9,363,774

737,212,640