

# NATIONAL SAVINGS BANK **FINANCIAL STATEMENTS**



For the nine months ended 30<sup>th</sup> September 2018

INCOME STATEMENT							
	Ba	ank	Grou	р			
For the nine months ended 30th September	2018 Rs. '000	2017 Rs. '000	2018 Rs. '000	2017 Rs. '000			
Income	87,020,007	79,071,231	87,701,956	79,096,960			
Interest income Interest expenses	85,759,689 (64,590,822)	75,789,138 (57,714,040)	86,555,362 (65,125,995)	76,422,460 (58,127,092)			
Net interest income Fee and commission income Fee and commission expenses	<b>21,168,867</b> 685,145 (75,054)	<b>18,075,098</b> 545,896 (83,543)	<b>21,429,367</b> 687,593 (77,409)	<b>18,295,368</b> 553,158 (87,086)			
<b>Net fee and commission income</b> Net gain/(loss) from trading Net gain/(loss) from financial instruments designated	<b>610,091</b> (409,428)	<b>462,353</b> 1,308,651	<b>610,184</b> (524,195)	<b>466,072</b> 1,617,504			
at fair value through profit or loss Net gain/(loss) from financial investments Net gain/(loss) from financial instruments at fair value through	-	243,673	-	243,673			
profit or loss Net gain/(loss) on derecognition of financial assets measured at amortised cost Net gain/(loss) on derecognition of financial assets measured	-	-	-	-			
at fair value through other comprehensive income Other operating income (net)	6,906 977,695	1,183,873	6,906 976,291	260,165			
Total operating income Credit loss expense on loans and receivables Individual impairment Collective impairment	<b>22,354,131</b> (630,402)	21,273,648 (477,683)	<b>22,498,552</b> (630,402)	<b>20,882,782</b> (477,683)			
Credit loss expense on other finance assets Individual impairment Collective impairment	- 264,114	-	- 264,143	-			
Net operating income Personnel expenses Depreciation and amortization Other expenses	<b>21,987,843</b> (7,315,749) (451,193) (3,086,992)	<b>20,795,965</b> (5,465,315) (323,158) (2,892,142)	<b>22,132,293</b> (7,350,170) (451,929) (3,059,182)	<b>20,405,099</b> (5,487,474) (323,752) (2,849,287)			
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	<b>11,133,909</b> (2,335,465) (311,395)	<b>12,115,349</b> (2,227,796) (297,039)	<b>11,271,013</b> (2,357,607) (314,348)	<b>11,744,585</b> (2,301,368) (306,849)			
Operating profit/(loss) after Value Added Tax (VAT) and Nation Building Tax (NBT) Share of profits of associates and joint ventures	8,487,049	9,590,514	8,599,058	9,136,368			
Profit/(loss) before tax Income tax expenses	<b>8,487,049</b> (3,397,971)	<b>9,590,514</b> (3,001,100)	<b>8,599,058</b> (3,435,625)	<b>9,136,368</b> (3,152,586)			
Profit/(loss) for the period	5,089,078	6,589,414	5,163,433	5,983,782			
Profit attributable to: Equity holders of the Bank Non-controlling interests	5,089,078 -	6,589,414	5,163,433	5,983,782			
Earnings per share on profit Earnings per ordinary share - Basic (Rs.) Earnings per ordinary share - Diluted (Rs.)	7.60 7.60	10.63 10.63	7.71 7.71	9.65 9.65			
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#### STATEMENT OF COMPREHENSIVE INCOME Rank

	]	Bank	Group		
For the nine months ended 30th September	2018 Rs. '000	2017 Rs. '000	2018 Rs. '000	2017 Rs. '000	
Profit for the period	5,089,078	6,589,414	5,163,433	5,983,782	
Other comprehensive income, net of taxes					
Other comprehensive income to be reclassified to Income Statement					
Net gains/(losses) on cash flow hedges	(291,924)	(1,850)	(291,924)	(1,850)	
Net gains/(losses) on Debt instruments at fair value through other comprehensive income	(63,750)	-	(59,462)	-	
Gains/(losses) on re-measuring available-for-sale financial assets	-	742,416	-	893,624	
Fair value gains transferred to the Income Statement on disposal	1 270		1 270		
of debt instruments at fair value through other comprehensive income Fair value gains transferred to the Income Statement on disposal	1,370	-	1,370	-	
of available-for-sale financial assets	-	(193,593)	-	(193,593)	
Total other comprehensive income to be reclassified to Income Statement	(354,304)	546,973	(350,015)	698,181	
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	(603,932)	-	(603,932)	-	
Actuarial gains/(losses) on retirement benefit plans	-	-	(642)	381	
Total other comprehensive income not to be reclassified to					
Income Statement	(603,932)	-	(604,574)	381	

STATEMENT OF	FINANCI	AL POSITIC	DN	
	Ba	ank	Gro	up
	As at 30.09.2018 Rs. '000	As at 31.12.2017 Rs. '000 Audited	As at 30.09.2018 Rs. '000	As at 31.12.2017 Rs. '000 Audited
Assets				
Cash and cash equivalents	3,359,860	3,849,627	3,360,542	3,854,086
Balances with central banks	-	-	10	94
Placements with banks	16,513,076	23,438,104	16,513,076	23,438,104
Derivative financial instruments	1,313,795	1,360,714	1,313,795	1,360,714
Other financial assets held-for-trading	14,104,643	6,472,314	23,337,530	9,389,950
Financial assets designated at fair value through profit or loss	-	-	-	-
Debt instruments at fair value through other comprehensive income	2,015,144	-	3,973,674	-
Equity instruments at fair value through other comprehensive income	3,837,019	-	3,838,019	
Loans and receivables to banks at amortised cost	25,304,194	27,714,565	25,311,198	27,971,234
Loans and receivables to other customers at amortised cost	394,409,164	360,309,866	392,672,920	358,766,093
Financial investments - Available-for-sale	-	5,693,829	-	7,713,852
Financial investments - Held-to-maturity	-	544,273,077	-	547,924,390
Debt instruments at amortised cost	495,695,690	-	499,340,841	-
Investments in subsidiaries	900,000	900,000	-	-
Property, plant and equipment	12,689,922	12,015,376	12,692,664	12,018,679
Intangible assets	547,022	380,308	547,309	380,655
Deferred tax assets	-	-	90	-
Other assets	32,930,814	25,695,689	33,296,642	25,976,944
Total assets	1,003,620,344	1,012,103,470	1,016,198,309	1,018,794,797
Liabilities				
Due to banks	90,613,094	48,596,591	93,546,555	49,404,068
Derivative financial instruments	-	956,937	-	956,937
Due to other customers	796,983,925	737,212,640	796,983,925	737,212,640
Other borrowings	56,242,471	169,539,625	64,708,280	174,196,334
Current tax liabilities	-	-	42,213	137,344
Deferred tax liabilities	547,433	507,063	547,433	507,138
Other liabilities	9,595,945	9,062,425	9,609,812	9,107,460
Subordinated liabilities	6,200,877	6,006,411	6,200,877	6,006,411
Total liabilities	960,183,745	971,881,692	971,639,095	977,528,332
Equity				
Stated capital/Assigned capital	6,700,000	6,700,000	6,700,000	6,700,000
Statutory reserve fund	3,257,406	3,002,952	3,257,406	3,002,952
Retained earnings	6,214,459	2,228,885	6,846,352	2,805,727
Other reserves	27,264,734	28,289,941	27,755,456	28,757,786
Total shareholders' equity	43,436,599	40,221,778	44,559,214	41,266,465
	43,436,599	40,221,778	44,559,214	41,266,465
Total equity	,,			
Total equity Total equity and liabilities	1,003,620,344	1,012,103,470	1,016,198,309	1,018,794,797

**Memorandum Information** 

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Other comprehensive income for the period, net of taxes	(958,236)	546,973	(954,589)	698,562	Number of Employees (Nos.)	4,527	4,469	
Total comprehensive income for the period	4,130,842	7,136,388	4,208,844	6,682,345	Number of Branches (Nos.)	255	253	
Attributable to:								
Equity holders	4,130,842	7,136,388	4,208,844	6,682,345	Note: Amounts stated are in net of impairment and depu	eciation.		

#### Explanatory Notes :-

1. 2.

There are no changes to the accounting policies and methods of computation except the application of SLFRS - 09 since the publication for the year 2017. 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 1st January 2018. There are no material events taken place after the reporting period, which requires adjustment or disclosure in these Financial Statements.

3. 4. The comparable information is re-classified as wherever necessary to compare with the current years' classification in order to provide a better presentation.

		STATEMENT (	<b>DF CHANGES IN</b>	EQUITY - BANK			I.	n Rupees Thousand
For the nine months ended 30.09.2017	Stated Capital/Assigned Capital	<b>Revaluation Reserve</b>	Statutory Reserve Fund	Available for Sale Reserve	Cash Flow Hedging Reserve	<b>Retained Earnings</b>	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	-	-	-	-	-	6,589,414	-	6,589,414
Other comprehensive income net of tax	-	-	-	548,823	(1,850)	-	-	546,973
Transfers to unclaimed deposits reserve Contribution to the Consolidated Fund - Dividend/Levy	-	-	-	-	-	(1,245,900)	(34,867)	(34,867) (1,245,900)
Contribution to Inte Consolidated Fund - Dividend/Levy Contribution to National Insurance Trust Fund		-	-	-	-	(1,245,900) (65,894)	-	(1,245,900) (65,894)
Transfers during the period	-	18,272	329,471	-	-	(329,471)	-	18,272
Balance as at 30th September 2017	6,200,000	3,314,837	2,851,938	1,927,641	-	7,327,457	16,431,703	38,053,579
For the nine months ended 30.09.2018	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	1,345,237	291,924	2,228,885	18,859,461	40,221,778
Impact of adopting SLFRS 9	-	-	-	-	-	(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	-	-	-	-	-	5,089,078	-	5,089,078
Other comprehensive income net of tax	-	-	-	-	(291,924)	-	-	(291,924)
Net change in fair value of debt instrument of Fair Value through other Comprehensive Income				((2.200))				((2.200))
Net change in fair value of equity instrument of Fair	-	-	-	(62,380)	-	-	-	(62,380)
Value through other Comprehensive Income				(603.932)				(603,932)
Transfers to unclaimed deposits reserve	-	-	-	(003,932)	-		(66,970)	(66,970)
Contribution to the Consolidated Fund-Dividend/Levy		_				(50,000)	(00,770)	(500,000)
Contribution to National Insurance Trust Fund	_	-	-	_	_	(50,891)	-	(50,891)
Transfers during the Period	-	-	254,454	-	-	(254,454)	-	-
Balance as at 30th September 2018	6,700,000	7,793,317	3,257,406	678,925	-	6,214,459	18,792,491	43,436,599
	C		E CHANCES IN I					
STATEMENT OF CHANGES IN EQUITY - GROUP								
	~							1. D
						D ( 1 1 D 1		In Rupees Thousand
For the nine months ended 30.09.2017	Stated Capital/Assigned Capital	<b>Revaluation Reserve</b>	Statutory Reserve Fund	Available for Sale Reserve	Cash Flow Hedging Reserve	Retained Earnings	Other Reserves	Total Equity
Balance as at 1st January 2017						3,708,614		<b>Total Equity</b> 33,786,788
Balance as at 1st January 2017 Net profit for the period	Stated Capital/Assigned Capital	<b>Revaluation Reserve</b>	Statutory Reserve Fund	Available for Sale Reserve 1,096,758	Cash Flow Hedging Reserve	<b>3,708,614</b> 5,983,782	Other Reserves	<b>Total Equity</b> <b>33,786,788</b> 5,983,782
Balance as at 1st January 2017 Net profit for the period Other comprehensive income net of tax	Stated Capital/Assigned Capital	<b>Revaluation Reserve</b>	Statutory Reserve Fund	Available for Sale Reserve	Cash Flow Hedging Reserve	3,708,614	Other Reserves 16,960,532	Total Equity 33,786,788 5,983,782 698,562
Balance as at 1st January 2017 Net profit for the period Other comprehensive income net of tax Transfers to unclaimed deposits reserve	Stated Capital/Assigned Capital	<b>Revaluation Reserve</b>	Statutory Reserve Fund	Available for Sale Reserve 1,096,758	Cash Flow Hedging Reserve	<b>3,708,614</b> 5,983,782 381	Other Reserves	Total Equity 33,786,788 5,983,782 698,562 (34,867)
Balance as at 1st January 2017 Net profit for the period Other comprehensive income net of tax	Stated Capital/Assigned Capital	<b>Revaluation Reserve</b>	Statutory Reserve Fund	Available for Sale Reserve 1,096,758	Cash Flow Hedging Reserve	<b>3,708,614</b> 5,983,782	Other Reserves 16,960,532	Total Equity 33,786,788 5,983,782 698,562
Balance as at 1st January 2017 Net profit for the period Other comprehensive income net of tax Transfers to unclaimed deposits reserve Contribution to the Consolidated Fund - Dividend/Levy Withholding Tax on dividend Contribution to National Insurance Trust Fund	Stated Capital/Assigned Capital	Revaluation Reserve 3,296,565 - - - -	Statutory Reserve Fund 2,522,467 - - - - -	Available for Sale Reserve 1,096,758	Cash Flow Hedging Reserve	<b>3,708,614</b> 5,983,782 381 (1,245,900) (102,483) (65,894)	Other Reserves 16,960,532 (34,867)	Total Equity 33,786,788 5,983,782 698,562 (34,867) (1,245,900) (102,483) (65,894)
Balance as at 1st January 2017 Net profit for the period Other comprehensive income net of tax Transfers to unclaimed deposits reserve Contribution to the Consolidated Fund - Dividend/Levy Withholding Tax on dividend Contribution to National Insurance Trust Fund Transfers during the period	Stated Capital/Assigned Capital 6,200,000 - - - - - - - - - - - - - - - - -	Revaluation Reserve 3,296,565 - - - - - - - - - - - - - - - - - -	Statutory Reserve Fund 2,522,467 - - - - - - - - - - - - - - - - - - -	Available for Sale Reserve 1,096,758 - 700,031 - - - - - - - -	Cash Flow Hedging Reserve	<b>3,708,614</b> 5,983,782 381 (1,245,900) (102,483) (65,894) (408,650)	Other Reserves 16,960,532 (34,867) - - 79,179	Total Equity           33,786,788           5,983,782           698,562           (34,867)           (1,245,900)           (102,483)           (65,894)           18,272
Balance as at 1st January 2017 Net profit for the period Other comprehensive income net of tax Transfers to unclaimed deposits reserve Contribution to the Consolidated Fund - Dividend/Levy Withholding Tax on dividend Contribution to National Insurance Trust Fund	Stated Capital/Assigned Capital	Revaluation Reserve 3,296,565 - - - -	Statutory Reserve Fund 2,522,467 - - - - -	Available for Sale Reserve 1,096,758	Cash Flow Hedging Reserve	<b>3,708,614</b> 5,983,782 381 (1,245,900) (102,483) (65,894)	Other Reserves 16,960,532 (34,867)	Total Equity 33,786,788 5,983,782 698,562 (34,867) (1,245,900) (102,483) (65,894)
Balance as at 1st January 2017 Net profit for the period Other comprehensive income net of tax Transfers to unclaimed deposits reserve Contribution to the Consolidated Fund - Dividend/Levy Withholding Tax on dividend Contribution to National Insurance Trust Fund Transfers during the period	Stated Capital/Assigned Capital 6,200,000 - - - - - - - - - - - - - - - - -	Revaluation Reserve 3,296,565 - - - - - - - - - - - - - - - - - -	Statutory Reserve Fund 2,522,467 - - - - - - - - - - - - - - - - - - -	Available for Sale Reserve 1,096,758 - 700,031 - - - - - - - -	Cash Flow Hedging Reserve	3,708,614 5,983,782 381 (1,245,900) (102,483) (65,894) (408,650) 7,869,850 Retained Earnings	Other Reserves 16,960,532 (34,867) - - 79,179	Total Equity           33,786,788           5,983,782           698,562           (34,867)           (1,245,900)           (102,483)           (65,894)           18,272
Balance as at 1st January 2017Net profit for the periodOther comprehensive income net of taxTransfers to unclaimed deposits reserveContribution to the Consolidated Fund - Dividend/LevyWithholding Tax on dividendContribution to the Consolidated Fund - Dividend/LevyWithholding Tax on dividendContribution to National Insurance Trust FundTransfers during the periodBalance as at 30th September 2017	Stated Capital/Assigned Capital 6,200,000 - - - - - - - - - - - - - - - - -	Revaluation Reserve 3,296,565 - - - - - - - - - - - - - - - - - -	Statutory Reserve Fund 2,522,467 - - - - - - - - - - - - - - - - - - -	Available for Sale Reserve 1,096,758 700,031 - - - - - - - - - - - - -	Cash Flow Hedging Reserve 1,850 (1,850) - - - - - - - - - - - - -	<b>3,708,614</b> 5,983,782 381 (1,245,900) (102,483) (65,894) (408,650) <b>7,869,850</b>	Other Reserves 16,960,532 (34,867) - 79,179 17,004,844	Total Equity           33,786,788           5,983,782           698,562           (34,867)           (1,245,900)           (102,483)           (65,894)           18,272           39,038,261
Balance as at 1st January 2017         Net profit for the period         Other comprehensive income net of tax         Transfers to unclaimed deposits reserve         Contribution to the Consolidated Fund - Dividend/Levy         Withholding Tax on dividend         Contribution to National Insurance Trust Fund         Transfers during the period         Balance as at 30th September 2017         For the nine months ended 30.09.2018         Balance as at 1st January 2018         Impact of adopting SLFRS 9	Stated Capital/Assigned Capital 6,200,000 - - - - - - - - - - - - -	Revaluation Reserve 3,296,565 - - - - - - - - - - - - - - - - - -	Statutory Reserve Fund 2,522,467 - - - - - - - - - - - - - - - - - - -	Available for Sale Reserve           1,096,758           700,031           -	Cash Flow Hedging Reserve 1,850 (1,850) - - - - - - - - - - - - -	3,708,614 5,983,782 381 (1,245,900) (102,483) (65,894) (408,650) 7,869,850 Retained Earnings	Other Reserves 16,960,532 (34,867) (34,867) 79,179 17,004,844 Other Reserves	Total Equity           33,786,788           5,983,782           698,562           (34,867)           (1,245,900)           (102,483)           (65,894)           18,272 <b>39,038,261</b> Total Equity           41,266,465           (298,233)
Balance as at 1st January 2017         Net profit for the period         Other comprehensive income net of tax         Transfers to unclaimed deposits reserve         Contribution to the Consolidated Fund - Dividend/Levy         Withholding Tax on dividend         Contribution to National Insurance Trust Fund         Transfers during the period         Balance as at 30th September 2017         For the nine months ended 30.09.2018         Balance of adopting SLFRS 9         Re-stated opening balance under SLFRS 9	Stated Capital/Assigned Capital 6,200,000 - - - - - - - - - - - - - - - - -	Revaluation Reserve 3,296,565 - - - - - - - - - - - - - - - - - -	Statutory Reserve Fund 2,522,467 - - - - - - - - - - - - - - - - - - -	Available for Sale Reserve           1,096,758           700,031           -	Cash Flow Hedging Reserve 1,850 (1,850) - - - - - - - - - - - - -	3,708,614 5,983,782 381 (1,245,900) (102,483) (65,894) (408,650) 7,869,850 Retained Earnings 2,805,727 (298,233) 2,507,494	Other Reserves 16,960,532 (34,867) (34,867) 79,179 17,004,844 Other Reserves	Total Equity           33,786,788           5,983,782           698,562           (34,867)           (1,245,900)           (102,483)           (65,894)           18,272 <b>39,038,261</b> Total Equity           41,266,465           (298,233)           40,968,232
Balance as at 1st January 2017         Net profit for the period         Other comprehensive income net of tax         Transfers to unclaimed deposits reserve         Contribution to the Consolidated Fund - Dividend/Levy         Withholding Tax on dividend         Contribution to National Insurance Trust Fund         Transfers during the period         Balance as at 30th September 2017         For the nine months ended 30.09.2018         Balance of adopting SLFRS 9         Re-stated opening balance under SLFRS 9         Net Profit for the period	Stated Capital/Assigned Capital 6,200,000 - - - - - - - - - - - - -	Revaluation Reserve 3,296,565 - - - - - - - - - - - - - - - - - -	Statutory Reserve Fund 2,522,467 - - - - - - - - - - - - - - - - - - -	Available for Sale Reserve           1,096,758           700,031           -	Cash Flow Hedging Reserve 1,850 (1,850) (1,850) - - - - - - - - - - - - -	3,708,614 5,983,782 381 (1,245,900) (102,483) (65,894) (408,650) 7,869,850 Retained Earnings 2,805,727 (298,233) 2,507,494 5,163,433	Other Reserves 16,960,532 (34,867) - - - 79,179 17,004,844 Other Reserves 19,444,122	Total Equity           33,786,788           5,983,782           698,562           (34,867)           (1,245,900)           (102,483)           (65,894)           18,272           39,038,261           Total Equity           41,266,465           (298,233)           40,968,232           5,163,433
Balance as at 1st January 2017         Net profit for the period         Other comprehensive income net of tax         Transfers to unclaimed deposits reserve         Contribution to the Consolidated Fund - Dividend/Levy         Withholding Tax on dividend       Contribution to National Insurance Trust Fund         Transfers during the period       Balance as at 30th September 2017         For the nine months ended 30.09.2018         Balance as at 1st January 2018       Impact of adopting SLFRS 9         Net Profit for the period       Other comprehensive income net of tax	Stated Capital/Assigned Capital 6,200,000 - - - - - - - - - - - - - - - - -	Revaluation Reserve 3,296,565 - - - - - - - - - - - - - - - - - -	Statutory Reserve Fund 2,522,467 - - - - - - - - - - - - - - - - - - -	Available for Sale Reserve           1,096,758           700,031           -	Cash Flow Hedging Reserve 1,850 (1,850) - - - - - - - - - - - - -	3,708,614 5,983,782 381 (1,245,900) (102,483) (65,894) (408,650) 7,869,850 Retained Earnings 2,805,727 (298,233) 2,507,494	Other Reserves 16,960,532 (34,867) - - - 79,179 17,004,844 Other Reserves 19,444,122	Total Equity           33,786,788           5,983,782           698,562           (34,867)           (1,245,900)           (102,483)           (65,894)           18,272 <b>39,038,261</b> Total Equity           41,266,465           (298,233)           40,968,232
Balance as at 1st January 2017         Net profit for the period         Other comprehensive income net of tax         Transfers to unclaimed deposits reserve         Contribution to the Consolidated Fund - Dividend/Levy         Withholding Tax on dividend         Contribution to the Consolidated Fund - Dividend/Levy         Withholding Tax on dividend       Contribution to National Insurance Trust Fund         Transfers during the period       Balance as at 30th September 2017         For the nine months ended 30.09.2018         Balance as at 1st January 2018       Impact of adopting SLFRS 9         Re-stated opening balance under SLFRS 9       Net Profit for the period         Other comprehensive income net of tax       Net change in fair value of debt instrument of Fair	Stated Capital/Assigned Capital 6,200,000 - - - - - - - - - - - - - - - - -	Revaluation Reserve 3,296,565 - - - - - - - - - - - - -	Statutory Reserve Fund 2,522,467 - - - - - - - - - - - - - - - - - - -	Available for Sale Reserve 1,096,758 - 700,031 - - - - - - - - - - - - -	Cash Flow Hedging Reserve 1,850 (1,850) (1,850) - - - - - - - - - - - - -	3,708,614 5,983,782 381 (1,245,900) (102,483) (65,894) (408,650) 7,869,850 Retained Earnings 2,805,727 (298,233) 2,507,494 5,163,433	Other Reserves 16,960,532 (34,867) - - - 79,179 17,004,844 Other Reserves 19,444,122	Total Equity           33,786,788           5,983,782           698,562           (34,867)           (1,245,900)           (102,483)           (65,894)           18,272           39,038,261           Total Equity           41,266,465           (298,233)           40,968,232           5,163,433           (292,565)
Balance as at 1st January 2017         Net profit for the period         Other comprehensive income net of tax         Transfers to unclaimed deposits reserve         Contribution to the Consolidated Fund - Dividend/Levy         Withholding Tax on dividend         Contribution to the Consolidated Fund - Dividend/Levy         Withholding Tax on dividend       Contribution to National Insurance Trust Fund         Transfers during the period       Balance as at 30th September 2017         For the nine months ended 30.09.2018         Balance as at 1st January 2018       Impact of adopting SLFRS 9         Re-stated opening balance under SLFRS 9       Net Profit for the period         Other comprehensive income net of tax       Net change in fair value of debt instrument of Fair         Value through other Comprehensive Income       Star	Stated Capital/Assigned Capital 6,200,000 - - - - - - - - - - - - - - - - -	Revaluation Reserve 3,296,565 - - - - - - - - - - - - -	Statutory Reserve Fund 2,522,467 - - - - - - - - - - - - - - - - - - -	Available for Sale Reserve           1,096,758           700,031           -	Cash Flow Hedging Reserve 1,850 (1,850) (1,850) - - - - - - - - - - - - -	3,708,614 5,983,782 381 (1,245,900) (102,483) (65,894) (408,650) 7,869,850 Retained Earnings 2,805,727 (298,233) 2,507,494 5,163,433	Other Reserves 16,960,532 (34,867) - - - 79,179 17,004,844 Other Reserves 19,444,122	Total Equity           33,786,788           5,983,782           698,562           (34,867)           (1,245,900)           (102,483)           (65,894)           18,272           39,038,261           Total Equity           41,266,465           (298,233)           40,968,232           5,163,433
Balance as at 1st January 2017         Net profit for the period         Other comprehensive income net of tax         Transfers to unclaimed deposits reserve         Contribution to the Consolidated Fund - Dividend/Levy         Withholding Tax on dividend         Contribution to National Insurance Trust Fund         Transfers during the period         Balance as at 30th September 2017         For the nine months ended 30.09.2018         Balance as at 1st January 2018         Impact of adopting SLFRS 9         Re-stated opening balance under SLFRS 9         Net Profit for the period         Other comprehensive income net of tax         Net change in fair value of debt instrument of Fair         Value through other Comprehensive Income         Net change in fair value of equity instrument of Fair	Stated Capital/Assigned Capital 6,200,000 - - - - - - - - - - - - - - - - -	Revaluation Reserve 3,296,565 - - - - - - - - - - - - -	Statutory Reserve Fund 2,522,467 - - - - - - - - - - - - - - - - - - -	Available for Sale Reserve 1,096,758 700,031 - - - - - - - - - - - - -	Cash Flow Hedging Reserve 1,850 (1,850) (1,850) - - - - - - - - - - - - -	3,708,614 5,983,782 381 (1,245,900) (102,483) (65,894) (408,650) 7,869,850 Retained Earnings 2,805,727 (298,233) 2,507,494 5,163,433	Other Reserves 16,960,532 (34,867) - - - 79,179 17,004,844 Other Reserves 19,444,122	Total Equity           33,786,788           5,983,782           698,562           (34,867)           (1,245,900)           (102,483)           (65,894)           18,272           39,038,261           Total Equity           41,266,465           (298,233)           40,968,232           5,163,433           (292,565)           (58,092)
Balance as at 1st January 2017         Net profit for the period         Other comprehensive income net of tax         Transfers to unclaimed deposits reserve         Contribution to the Consolidated Fund - Dividend/Levy         Withholding Tax on dividend         Contribution to the Consolidated Fund - Dividend/Levy         Withholding Tax on dividend       Contribution to National Insurance Trust Fund         Transfers during the period         Balance as at 30th September 2017         For the nine months ended 30.09.2018         Balance as at 1st January 2018         Impact of adopting SLFRS 9       Re-stated opening balance under SLFRS 9         Net Profit for the period       Other comprehensive income net of tax         Net change in fair value of debt instrument of Fair       Value through other Comprehensive Income         Net change in fair value of equity instrument of Fair       Value through other Comprehensive Income	Stated Capital/Assigned Capital 6,200,000 - - - - - - - - - - - - - - - - -	Revaluation Reserve 3,296,565 - - - - - - - - - - - - -	Statutory Reserve Fund 2,522,467 - - - - - - - - - - - - - - - - - - -	Available for Sale Reserve 1,096,758 - 700,031 - - - - - - - - - - - - -	Cash Flow Hedging Reserve 1,850 (1,850) (1,850) - - - - - - - - - - - - -	3,708,614 5,983,782 381 (1,245,900) (102,483) (65,894) (408,650) 7,869,850 Retained Earnings 2,805,727 (298,233) 2,507,494 5,163,433	Other Reserves 16,960,532 (34,867) (34,867) 79,179 17,004,844 Other Reserves 19,444,122 19,444,122 19,444,122	Total Equity 33,786,788 5,983,782 698,562 (34,867) (1,245,900) (102,483) (65,894) 18,272 39,038,261 Total Equity 41,266,465 (298,233) 40,968,232 5,163,433 (292,565) (58,092) (603,932)
Balance as at 1st January 2017         Net profit for the period         Other comprehensive income net of tax         Transfers to unclaimed deposits reserve         Contribution to the Consolidated Fund - Dividend/Levy         Withholding Tax on dividend         Contribution to National Insurance Trust Fund         Transfers during the period         Balance as at 30th September 2017         For the nine months ended 30.09.2018         Balance as at 1st January 2018         Impact of adopting SLFRS 9         Re-stated opening balance under SLFRS 9         Net Profit for the period         Other comprehensive income net of tax         Net change in fair value of debt instrument of Fair         Value through other Comprehensive Income         Net change in fair value of equity instrument of Fair	Stated Capital/Assigned Capital 6,200,000 - - - - - - - - - - - - - - - - -	Revaluation Reserve 3,296,565 - - - - - - - - - - - - -	Statutory Reserve Fund 2,522,467 - - - - - - - - - - - - - - - - - - -	Available for Sale Reserve 1,096,758 700,031 - - - - - - - - - - - - -	Cash Flow Hedging Reserve 1,850 (1,850) (1,850) - - - - - - - - - - - - -	3,708,614 5,983,782 381 (1,245,900) (102,483) (65,894) (408,650) 7,869,850 Retained Earnings 2,805,727 (298,233) 2,507,494 5,163,433 (642) -	Other Reserves 16,960,532 (34,867) - - - 79,179 17,004,844 Other Reserves 19,444,122	Total Equity 33,786,788 5,983,782 698,562 (34,867) (1,245,900) (102,483) (65,894) 18,272 39,038,261 Total Equity 41,266,465 (298,233) 40,968,232 5,163,433 (292,565) (58,092) (663,932) (66,970)
Balance as at 1st January 2017         Net profit for the period         Other comprehensive income net of tax         Transfers to unclaimed deposits reserve         Contribution to the Consolidated Fund - Dividend/Levy         Withholding Tax on dividend         Contribution to the Consolidated Fund - Dividend/Levy         Withholding Tax on dividend       Contribution to National Insurance Trust Fund         Transfers during the period         Balance as at 30th September 2017         For the nine months ended 30.09.2018         Balance as at 1st January 2018         Impact of adopting SLFRS 9       Re-stated opening balance under SLFRS 9         Net Profit for the period       Other comprehensive income net of tax         Net change in fair value of debt instrument of Fair       Value through other Comprehensive Income         Net change in fair value of equity instrument of Fair       Value through other Comprehensive Income         Net change in fair value of equity instrument of Fair         Value through other Comprehensive Income	Stated Capital/Assigned Capital 6,200,000 - - - - - - - - - - - - - - - - -	Revaluation Reserve 3,296,565 - - - - - - - - - - - - -	Statutory Reserve Fund 2,522,467 - - - - - - - - - - - - - - - - - - -	Available for Sale Reserve 1,096,758 700,031 - - - - - - - - - - - - -	Cash Flow Hedging Reserve 1,850 (1,850) (1,850) - - - - - - - - - - - - -	3,708,614 5,983,782 381 (1,245,900) (102,483) (65,894) (408,650) 7,869,850 Retained Earnings 2,805,727 (298,233) 2,507,494 5,163,433 (642) - - (500,000)	Other Reserves 16,960,532 (34,867) (34,867) 79,179 17,004,844 Other Reserves 19,444,122 19,444,122 19,444,122	Total Equity 33,786,788 5,983,782 698,562 (34,867) (1,245,900) (102,483) (65,894) 18,272 39,038,261 Total Equity 41,266,465 (298,233) 40,968,232 5,163,433 (292,565) (58,092) (663,932) (66,970) (500,000)
Balance as at 1st January 2017         Net profit for the period         Other comprehensive income net of tax         Transfers to unclaimed deposits reserve         Contribution to the Consolidated Fund - Dividend/Levy         Withholding Tax on dividend         Contribution to National Insurance Trust Fund         Transfers during the period         Balance as at 30th September 2017         For the nine months ended 30.09.2018         Balance as at 1st January 2018         Impact of adopting SLFRS 9         Re-stated opening balance under SLFRS 9         Net Profit for the period         Other comprehensive income net of tax         Net change in fair value of debt instrument of Fair         Value through other Comprehensive Income         Net change in fair value of equity instrument of Fair         Value through other Comprehensive Income         Transfers to unclaimed deposits reserve         Contribution to the Consolidated Fund-Dividend/Levy	Stated Capital/Assigned Capital 6,200,000 - - - - - - - - - - - - - - - - -	Revaluation Reserve 3,296,565 - - - - - - - - - - - - -	Statutory Reserve Fund 2,522,467 - - - - - - - - - - - - - - - - - - -	Available for Sale Reserve 1,096,758 700,031 - - - - - - - - - - - - -	Cash Flow Hedging Reserve 1,850 (1,850) (1,850) - - - - - - - - - - - - -	3,708,614 5,983,782 381 (1,245,900) (102,483) (65,894) (408,650) 7,869,850 Retained Earnings 2,805,727 (298,233) 2,507,494 5,163,433 (642) -	Other Reserves 16,960,532 (34,867) (34,867) 79,179 17,004,844 Other Reserves 19,444,122 19,444,122 19,444,122	Total Equity 33,786,788 5,983,782 698,562 (34,867) (1,245,900) (102,483) (65,894) 18,272 39,038,261 Total Equity 41,266,465 (298,233) 40,968,232 5,163,433 (292,565) (58,092) (663,932) (66,970)
Balance as at 1st January 2017         Net profit for the period         Other comprehensive income net of tax         Transfers to unclaimed deposits reserve         Contribution to the Consolidated Fund - Dividend/Levy         Withholding Tax on dividend         Contribution to National Insurance Trust Fund         Transfers during the period         Balance as at 30th September 2017         For the nine months ended 30.09.2018         Balance as at 1st January 2018         Impact of adopting SLFRS 9         Re-stated opening balance under SLFRS 9         Net change in fair value of debt instrument of Fair         Value through other Comprehensive Income         Net change in fair value of equity instrument of Fair         Value through other Comprehensive Income         Transfers to unclaimed deposits reserve         Contribution to the Consolidated Fund-Dividend/Levy         Contribution to National Insurance Trust Fund	Stated Capital/Assigned Capital 6,200,000 - - - - - - - - - - - - - - - - -	Revaluation Reserve 3,296,565 - - - - - - - - - - - - -	Statutory Reserve Fund 2,522,467 - - - - - - - - - - - - -	Available for Sale Reserve 1,096,758 700,031 - - - - - - - - - - - - -	Cash Flow Hedging Reserve 1,850 (1,850) (1,850) - - - - - - - - - - - - -	3,708,614 5,983,782 381 (1,245,900) (102,483) (65,894) (408,650) 7,869,850 Retained Earnings 2,805,727 (298,233) 2,507,494 5,163,433 (642) - - (500,000) (50,891)	Other Reserves 16,960,532 (34,867) (34,867) 79,179 17,004,844 Other Reserves 19,444,122 19,444,122 (66,970) (66,970)	Total Equity 33,786,788 5,983,782 698,562 (34,867) (1,245,900) (102,483) (65,894) 18,272 39,038,261 Total Equity 41,266,465 (298,233) 40,968,232 5,163,433 (292,565) (58,092) (663,932) (66,970) (500,000)



# **NATIONAL SAVINGS BANK FINANCIAL STATEMENTS**

AAA(lka) First Sri Lankan Bank to be rated AAA

# For the nine months ended 30<sup>th</sup> September, 2018

## ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS - BANK

In Rupees Thousand	Held for Trading	Fair Value through OCI	Held to Maturity	Amortised Cost	Available for Sale	Hedging	Total
ASSETS							
Cash and cash equivalents	-	-	-	3,359,860	-	-	3,359,860
Balances with central banks	-	-	-	-	-	-	-
Placement with banks	-	-	-	16,513,076	-	-	16,513,076
Derivative financial instruments	-	-	-	-	-	1,313,795	1,313,795
Other financial assets held for trading	4,104,643	-	-	-	-	-	14,104,643
Other financial assets at fair value							
through profit or loss	-	-	-	-	-	-	
Debt Instruments	-	2,015,144	-	495,695,690	-	-	497,710,834
Equity Instruments	-	3,837,019	-	-	-	-	3,837,019
Loans and receivables to banks at amortised	cost -	-	-	25,304,194	-	-	25,304,194
Loans and receivables to other customers							
at amortised cost	-	-	-	394,409,164	-	-	394,409,164
Total financial assets 1	4,104,643	5,852,163	-	935,281,984	-	1,313,795	956,552,584
In Rupees Thousand			Held for Trading	Designated at Fair value	Amortised Cost	Hedging	Total
LIABILITIES							
Due to banks			-	-	90,613,094	-	90,613,094
Derivative financial instruments			-	-	-	-	
Due to other customers			-	-	796,983,925	-	796,983,925
Other borrowings			-	-	56,242,471	-	56,242,471
Subordinated liabilities			-	-	6,200,877	-	6,200,877
					950,040,367		950,040,367

#### b. Bank - as at 31.12.2017 (Audited)

· · · · · · · · · · · · · · · · · · ·							
In Rupees Thousand	Held for Trading	Designated at Fair value	Held to Maturity	Amortised Cost	Available for Sale	Hedging	Total
ASSETS							
Cash and cash equivalents	-	-	-	3,849,627	-	-	3,849,627
Balances with central banks	-	-	-	-	-	-	-
Placement with banks	-	-	-	23,438,104	-	-	23,438,104
Derivative financial instruments	-	-	-	-	-	1,360,714	1,360,714
Other financial assets held for trading	6,472,314	-	-	-	-	-	6,472,314
Other financial assets at fair value							
through profit or loss	-	-	-	-	-	-	-
Loans and receivable to banks	-	-	-	27,714,565	-	-	27,714,565
Loans and receivable to other customers	-	-	-	360,309,866	-	-	360,309,866
Financial investments	-	- 4	544,273,077	-	5,693,829	-	549,966,907
Total financial assets	6,472,314	- 4	544,273,077	415,312,162	5,693,829	1,360,714	973,112,095
In Rupees Thousand			Held for Trading	Designated at Fair value	Amortised Cost	Hedging	Total
LIABILITIES							
Due to banks			-	-	48,596,591	-	48,596,591
Derivative financial instruments	1		-	-	-	956,937	956,937
Other financial liabilities at fair value through the provided of the second se	ough profit o	r loss	-	-	737,212,640	-	737,212,640
Other borrowings			-	-	169,539,625	-	169,539,625
Subordinated liabilities			-	-	6,006,411	-	6,006,411
Total financial liabilities			-	-	961,355,267	956,937	962,312,204

### NOTES TO THE FINANCIAL STATEMENT

01. Loans and Receivables to Other Customers

	Ban	k	Group		
In Rupees Thousand	As at 30.09.2018	As at 31.12.2017	As at 30.09.2018	As at 31.12.2017	
Gross loans and receivables (Less): Individual impairment	397,333,402	362,608,207	395,597,158	361,064,434	
Collective impairment (Note - a)	(2,924,238)	(2,298,341)	(2,924,238)	(2,298,341)	
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	394,409,164 -	360,309,866	392,672,920	358,766,093	
Net loans and receivables (Note - b)	394,409,164	360,309,866	392,672,920	358,766,093	

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

c. Group - as at 30.09.2018							
In Rupees Thousand	Held for	Fair value	Held to	Amortised	Available	Hedging	Total
	Trading	through OCI	Maturity	Cost	for Sale		
ASSETS							
Cash and cash equivalents Balances with central banks	-	-	-	3,360,542 10	-	-	3,360,542 10
Placement with banks	-	-	-	16,513,076	-	-	16,513,076
Derivative financial instruments	-	-	-	-	-	1,313,795	1,313,795
Other financial assets held for trading Other financial assets at fair value through profi	23,337,530 it or loss -	-	-	-	-	-	23,337,530
Debt Instruments	-	3,973,674	-	499,340,841	-	-	503,314,515
Equity Instrument Loans and receivables to banks at amortise	- ed cost -	3,838,019	-	- 25,311,198	-	-	3,838,019 25,311,198
Loans and receivables to other customers at amortise		-	-	392,672,920	-	-	392,672,920
Total financial assets	23,337,530	7,811,693	-	937,198,588	-	1,313,795	969,661,605
In Rupees Thousand		, ,	Held for	Designated	Amortised	Hedging	Total
in rupees risesand			Trading	at Fair value	Cost	intuging	
LIABILITIES					02 546 555		00.546.555
Due to banks Derivative financial instruments			-	-	93,546,555	-	93,546,555
Due to other customers			-		96,983,925	-	796,983,925
Other borrowings			-	-	64,708,280	-	64,708,280
Subordinated liabilities			-	-	6,200,877	-	6,200,877
Total financial liabilities			-	- 9	61,439,637	-	961,439,637
d. Group - as at 31.12.2017 (Audited)							
In Rupees Thousand	Held for	Designated at	Held to	Amortised	Available	Hedging	Total
	Trading	Fair value	Maturity	Cost	for Sale		
ASSETS				a			
Cash and cash equivalents Balances with central banks	-	-	-	3,854,086 94	-	-	3,854,086 94
Placement with banks	-	-	-	23,438,104	-	-	23,438,104
Derivative financial instruments	-	-	-	-	-	1,360,714	1,360,714
Other financial assets held for trading Other financial assets at fair value	9,389,950	-	-	-	-	-	9,389,950
through profit or loss	-	-	-	-	-	-	-
Loans and receivables to banks Loans and receivables to other customers	-	-	-	27,971,234	-	-	27,971,234
Financial investments	-		547,924,390	358,766,093	7,713,852	-	358,766,093 555,638,242
Total financial assets	9,389,950	- 5	547,924,390	414,029,611	7,713,852	1,360,714	980,418,516
In Rupees Thousand			Held for Trading	Designated at Fair value	Amortised Cost	Hedging	Total
LIABILITIES			maunig	at Fall value	Cost		
Due to banks			-	-	49,131,934	-	49,131,934
Derivative financial instruments Other financial liabilities at fair value through	ugh profit or l	220	-	-	-	956,937	956,937
Due to other customers	agii pront or k	033	-	- '	737,212,640	-	737,212,640
Other borrowings Subordinated liabilities			-		174,468,468	-	174,468,468
Total financial liabilities			-	-	6,006,411 966,819,453	956,937	6,006,411 967,776,390
	CAS				,,	,00,201	
	CAS	SH FLOW S	SIALEN	ILNI			
						0	
			Bank			Group	
			9.2018	30.09.2017	30.09.	2018 30	.09.2017 Ps '000
					30.09 Rs.'(	2018 30	0.09.2017 Rs.'000
Cash flows from operating activities		Rs.	9.2018 .'000	30.09.2017 Rs.'000	Rs.'(	2018 30 000 1	Rs.'000
Profit before tax		Rs.	9.2018	30.09.2017		2018 30 000 1	
	vre tax	<b>Rs.</b> 8,48	9.2018 .'000	30.09.2017 Rs.'000	Rs.'(	2018 30 000 1 058 9	Rs.'000
Profit before tax Adjustment for: Non-cash items included in profit before Change in operating assets	nre tax	<b>Rs</b> . 8,48 92 1,03	<b>9.2018</b> '000       7,049       6,845       9,095	<b>30.09.2017</b> <b>Rs.'000</b> 9,590,514 (1,518,861) (66,924,675)	<b>Rs.'(</b> 8,599, 1,128, (5,112,	2018 30 000 1 058 9 088 908) (64	<b>Rs.'000</b> 9,136,368 (957,047) 4,187,770)
Profit before tax Adjustment for: Non-cash items included in profit before Change in operating assets Change in operating liabilities	ore tax	<b>Rs</b> . 8,48 92 1,03 102,13	9.2018           '000           7,049           6,845           9,095           8,922	<b>30.09.2017</b> <b>Rs.'000</b> 9,590,514 (1,518,861) (66,924,675) 87,981,190	<b>Rs.'(</b> 8,599, 1,128, (5,112, 104,229,	2018 30 000 1 058 9 088 908) (64 528 86	<b>Rs.'000</b> 0,136,368 (957,047) 4,187,770) 5,676,122
Profit before tax Adjustment for: Non-cash items included in profit before Change in operating assets Change in operating liabilities Placement with banks		<b>Rs.</b> 8,48 92 1,03 102,13 6,92	<b>9.2018</b> '000       7,049       6,845       9,095	<b>30.09.2017</b> <b>Rs.'000</b> 9,590,514 (1,518,861) (66,924,675)	<b>Rs.'(</b> 8,599, 1,128, (5,112, 104,229, 6,922,	2018 30 000 1 058 9 088 9 908) (64 528 86 905) (2	<b>Rs.'000</b> 9,136,368 (957,047) 4,187,770)
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 plate Tax paid	lans	Rs. 8,48 92 1,03 102,13 6,92 (72 (3,35	9.2018           '000           7,049           6,845           9,095           8,922           2,905           3,287)           7,601)	<b>30.09.2017</b> <b>Rs.'000</b> 9,590,514 (1,518,861) (66,924,675) 87,981,190 (3,110,945) (768,163) (2,948,588)	<b>Rs.'(</b> 8,599, 1,128, (5,112, 104,229, 6,922, (723, (3,490,	2018         30           000         1           058         9           088         9           908)         (64           528         86           905)         (2           2,287)         (2           (551)         (2	<b>Rs.'000</b> 0,136,368 (957,047) 4,187,770) 5,676,122 3,110,945) (768,163) 2,965,742)
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 placement Tax paid Interest expense on subordinated debt	lans	Rs. 8,48 92 1,03 102,13 6,92 (72 (3,35 58	P.2018           '000           7,049           6,845           9,095           8,922           2,905           3,287)           7,601)           3,397	<b>30.09.2017</b> <b>Rs.'000</b> 9,590,514 (1,518,861) (66,924,675) 87,981,190 (3,110,945) (768,163) (2,948,588) 583,397	<b>Rs.'(</b> 8,599, 1,128, (5,112, 104,229, 6,922, (723, (3,490, 583,	2018         30           000         1           058         9           088         9           908)         (64           528         86           905)         (2           287)         (2           397         (2	<b>Rs.'000</b> 0,136,368 (957,047) 4,187,770) 5,676,122 3,110,945) (768,163) 2,965,742) 583,397
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 pl Tax paid Interest expense on subordinated debt Contribution paid to national insurance	lans e trust fund	Rs. 8,48 92 1,03 102,13 6,92 (72 (3,35 58	9.2018           '000           7,049           6,845           9,095           8,922           2,905           3,287)           7,601)	<b>30.09.2017</b> <b>Rs.'000</b> 9,590,514 (1,518,861) (66,924,675) 87,981,190 (3,110,945) (768,163) (2,948,588) 583,397 (66,621)	<b>Rs.'(</b> 8,599, 1,128, (5,112, 104,229, 6,922, (723, (3,490, 583,	2018         30           000         1           058         9           088         9           908)         (64           528         86           905)         (2           2,287)         (2           (551)         (2	<b>Rs.'000</b> 0,136,368 (957,047) 4,187,770) 5,676,122 3,110,945) (768,163) 2,965,742)
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 pl Tax paid Interest expense on subordinated debt Contribution paid to national insurance Dividends received from investment in	lans e trust fund n subsidiaries	<b>Rs</b> . 8,48 92 1,03 102,13 6,92 (72 (3,35 58 (6	P.2018           '000           7,049           6,845           9,095           8,922           2,905           3,287)           7,601)           3,397           0,776)	<b>30.09.2017</b> <b>Rs.'000</b> 9,590,514 (1,518,861) (66,924,675) 87,981,190 (3,110,945) (768,163) (2,948,588) 583,397 (66,621) (14,850)	<b>Rs.'(</b> 8,599, 1,128, (5,112, 104,229, 6,922, (723, (3,490, 583, (60,	2018         30           000         1           058         9           088         9           908)         (64           528         86           905)         (2           287)         (2           397         ,776)	<b>Rs.'000</b> 9,136,368 (957,047) 4,187,770) 5,676,122 3,110,945) 7,768,163) 2,965,742) 583,397 (66,621) -
Profit before tax Adjustment for: Non-cash items included in profit befor Change in operating assets Change in operating liabilities Placement with banks Contribution paid to defined benefit pl Tax paid Interest expense on subordinated debt Contribution paid to national insurance Dividends received from investment in Net cash generated from operating acti	lans e trust fund n subsidiaries	Rs. 8,48 92 1,03 102,13 6,92 (72 (3,35 58	P.2018           '000           7,049           6,845           9,095           8,922           2,905           3,287)           7,601)           3,397           0,776)	<b>30.09.2017</b> <b>Rs.'000</b> 9,590,514 (1,518,861) (66,924,675) 87,981,190 (3,110,945) (768,163) (2,948,588) 583,397 (66,621)	<b>Rs.'(</b> 8,599, 1,128, (5,112, 104,229, 6,922, (723, (3,490, 583,	2018         30           000         1           058         9           088         9           908)         (64           528         86           905)         (2           287)         (2           397         ,776)	<b>Rs.'000</b> 0,136,368 (957,047) 4,187,770) 5,676,122 3,110,945) (768,163) 2,965,742) 583,397
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 pl Tax paid Interest expense on subordinated debt Contribution paid to national insurance Dividends received from investment in	lans e trust fund <u>n subsidiaries</u> <b>vities</b> t	Rs.           8,48           92           1,03           102,13           6,92           (72           (3,35           58           (6           115,95           (1,03	P.2018           '000           7,049           6,845           9,095           8,922           2,905           3,287)           7,601)           3,397           0,776)	<b>30.09.2017</b> <b>Rs.'000</b> 9,590,514 (1,518,861) (66,924,675) 87,981,190 (3,110,945) (768,163) (2,948,588) 583,397 (66,621) (14,850)	Rs.'(           8,599,           1,128,           (5,112,           104,229,           6,922,           (723,           (3,490,           583,           (60,           112,075,           (1,032,	2018         30           000         1           058         9           058         9           088         9           908)         (64           528         86           905)         (2           287)         (1           397         (76)           -         -	<b>Rs.'000</b> 9,136,368 (957,047) 4,187,770) 5,676,122 3,110,945) 7,768,163) 2,965,742) 583,397 (66,621) -

	Ban	k	Group		
In Rupees Thousand	As at 30.09.2018	As at 31.12.2017	As at 30.09.2018	As at 31.12.2017	
Individual impairment					
Opening balance	-	-	-	-	
Charge/(Write back) to Income Statement	-	-	-	-	
Write-off during the year	-	-	-	-	
Other movements	-	-	-	-	
Closing balance	-	-	-	-	
Collective impairment					
Opening balance	2,298,341	1,731,772	2,298,341	1,731,772	
SLFRS 9 adjustment to opening balance	18,466	-	18,466	-	
Opening balance after SLFRS 09 adjustment to	2,316,807	1,731,772	2,316,807	1,731,772	
Charge/(Write back) to Income Statement	623,531	693,233	623,531	693,233	
Other movements/Interest waive off	(16,100)	(126,664)	(16,100)	(126,664)	
Closing balance	2,924,238	2,298,341	2,924,238	2,298,341	
Total impairment	2,924,238	2,298,341	2,924,238	2,298,341	

Bank Group In Rupees Thousand As at 31.12.2017 As at As at As at 31.12.2017 30.09.2018 30.09.2018 By product - Domestic Currency Overdrafts Term loans 327,367,935 291,862,646 327,367,935 291,862,646 Pawning 28,535,985 23,780,013 28,535,985 23,780,013 3,083,997 3,083,997 Securitization/Trust Certificates 5,052,359 5,052,359 Loan to Government 2,030,000 2,075,000 2,030,000 2,075,000 Staff Loans 5,607,525 5,016,902 5,607,525 5,016,902 1,282,516 Securities purchased under resale agreements 4,444,751 2,826,289 2,708,507 4,151,237 3,719,127 4,151,237 3,719,127 Other loans 377,189,793 332,363,975 375,453,549 330,820,203 Sub total By product - Foreign Currency Overdrafts 17,219,371 27,945,891 17,219,371 27,945,891 Term loans Other loans Sub total 17,219,371 27,945,891 17,219,371 27,945,891 394,409,164 360,309,866 392,672,920 358,766,093 Total 02. Due to Other Customers - by product Bank Group In Rupees Thousand As at As at As at As at 30.09.2018 31.12.2017 30.09.2018 31.12.2017 By product - Domestic Currency Savings deposits 193,848,301 185,201,449 193,848,301 185,201,449 593,043,598 542,647,417 Fixed deposits 542,647,417 593,043,598 Other deposits 727,848,866 727,848,866 Sub total 786,891,899 786,891,899 By product - Foreign Currency Savings deposits 3,074,725 2,990,433 3,074,725 2,990,433 Fixed deposits 7,017,301 6,373,341 7,017,301 6,373,341 Other deposits -Sub total 10,092,026 9,363,774 10,092,026 9,363,774 Total 796,983,925 737,212,640 796,983,925 737,212,640

through other comprehensive income	(835,434)	-	(770,756)	-
Net (increase)/decrease in equity instruments at fair value				
through other comprehensive income	-	-	-	-
Net purchase of intangible assets	(292,479)	(307,780)	(292,479)	(308,180)
Net increase/(decrease) in unclaimed reserve fund	(66,970)	(34,867)	(66,970)	(34,867)
Dividends received from investment in subsidiaries	-	14,850	-	-
Net cash (used in)/from investing activities	(2,218,762)	(4,469,302)	(2,154,199)	(4,428,768)
Cash flows from financing activities				
Interest paid on subordinated debt	(388,932)	(388,932)	(388,932)	(388,932)
Dividend paid to shareholders of the parent company	-	-	-	-
Withholding tax on dividend paid	-	-	-	(84,983)
Contribution to consolidated fund-(dividend)/levy	(500,000)	(1,245,900)	(500,000)	(1,245,900)
Other borrowings	(113,297,154)	(16,662,207)	(109,488,054)	(18,173,187)
Proceeds from the issue of subordinated debt	-	-	-	-
Net cash from financial activities	(114,186,086)	(18,297,039)	(110,376,986)	(19,893,002)
Net increase/(decrease) in cash & cash equivalents	(448,299)	36,060	(455,731)	17,830
Cash and cash equivalents at the beginning of the year	3,669,188	4,504,308	3,673,741	4,512,715
Cash and cash equivalents at the end of the period	3,220,889	4,540,368	3,218,010	4,530,545

(3,704,028)

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

	Ba	ink	Group		
	As at 30.09.2018	As at 31.12.2017	As at 30.09.2018	As at 31.12.2017	
Basel III					
Regulatory Capital (LKR '000)					
Common Equity Tier 1	23,997,614	25,564,909	25,778,437	27,370,741	
Tier 1 Capital	23,997,614	25,564,909	25,778,437	27,370,741	
Total Capital	30,460,227	32,808,403	32,167,074	34,605,855	
Regulatory Capital Ratios (%)					
Common Equity Tier 1 Capital Ratio (Minimum Requirement,	10.04				
2018 - 7.375%, 2017 - 6.25%)	10.86	11.93	11.46	12.65	
Tier 1 Capital Ratio (Minimum Requirement, 2018 - 8.875%, 2017 - 7.75%)	10.86	11.93	11.46	12.65	
Total Capital Ratio (Minimum Requirement,	10.80	11.95	11.40	12.03	
2018 - 12.875%, 2017 - 11.75%)	13.79	15.31	14.30	16.00	
Assets Quality (Quality of Loan Portfolio)					
Gross Non - Performing Advances Ratio, % (Net of Interest					
in Suspense)	1.63	1.34	NR	NR	
Net Non-Performing Advances, % (Net of Interest in suspense					
and Provisions)	1.44	1.22	NR	NR	
Profitability					
Interest Margin, %	2.81	2.59	2.82	2.60	
Return on Assets (before Tax), %	1.13	1.46	1.13	1.41	
Return on Equity, %	16.27	26.52	16.09	24.12	
Regulatory Liquidity					
Statutory Liquid Assets, Rs.'000 (average)	463,807,032	509,079,407	NR	NR	
Statutory Liquid Assets Ratio, % (Minimum Requirement, 20%)					
Domestic Banking Unit (%)	60.72	73.44	NR	NR	
Off-Shore Banking Unit (%)	NR	NR	NR	NR	
Liquidity Coverage Ratio (%) - Rupee (Minimum	224 (1	277 57	ND	ND	
Requirement: 2018 - 90%, 2017 - 80%)	334.61	377.57	NR	NR	
Liquidity Coverage Ratio (%) - All currency (Minimum Requirement: 2018 - 90%, 2017 - 80%)	332.31	376.18	NR	NR	
Note:         NR         - Not Relevant	552.51	570.10	INK	INK	

**<sup>&</sup>lt;u>CERTIFICATION</u>** :

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 September 2018 and the profits for the nine months then ended.

Sgd. K B Wijeyaratne

Deputy General Manager (Finance & Planning)

Net (increase)/decrease in debt instruments at fair value

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.

	5 1 5
Sgd.	Sgd.
R.M.P. Ratnayake	S D N Perera
Chairman	General Manager/CEO
26th November 2018, Colombo	

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