

NATIONAL SAVINGS BANK

INTERIM FINANCIAL STATEMENTS

AAA(SL)

For the six months ended 30th June 2019

Rs. '000 Tool	INCOME STATEMENT								
Rs. '000 Tool		В	ank	Group					
Income S9,121,029 S5,676,959 60,240,720 S6,175,52 Interest income S7,699,605 S4,894,101 S8,400,296 S5,394,9 Interest expenses (43,941,762) (42,490,997) (44,452,375) (42,816,490,971) Net interest income S45,338 S4,7772 S49,225 S439,245 Fee and commission income S45,338 A37,772 S49,225 S439,245 Fee and commission income S45,338 S437,772 S49,225 S439,245 Fee and commission income S49,222 S81,816 S01,709 S82,100 Net gains/(losses) from trading G63,947 (45,216) 1,079,974 (48,100,100,100,100,100,100,100,100,100,10	For the Six months ended 30th June	2019	2018	2019	2018				
Interest income		Rs. '000	Rs. '000	Rs. '000	Rs. '000				
Interest expenses	Income	59,121,029	55,676,959	60,240,720	56,175,562				
Net interest income	Interest income	57,699,605	54,894,101	58,400,296	55,394,958				
Fee and commission income Fee and commission expenses (46,106) Fee and commission expenses (46,106) Fee and commission expenses (46,106) Fee and commission income (499,222 Fee and commission income (499,222 Fee and commission income (499,222 Fee and commission income (45,216) Fee and commission income (48,10 Fee and commission income (48,216) Fee and commission income (48,10 Fee and commission income (48,216) Fee and commission income (48,21 Fee and commission income (48,21 Fee and commission income (48,21 Fee and commission income	Interest expenses	(43,941,762)	(42,490,997)	(44,452,375)	(42,816,416)				
Net fee and commission income 499,222 381,816 501,709 382,1		13,757,843	, ,	/ /	12,578,542				
Net fee and commission income 499,222 381,816 501,709 382,1 Net gains/(losses) from trading 663,947 (45,216) 1,079,974 (48,1 Net fair value gains/(losses) 663,947 (45,216) 1,079,974 (48,1 Net gains/(losses) or derecognition of financial assets at fair value through profit or loss -					439,420				
Net gains/(losses) from trading 663,947 (45,216) 1,079,974 (48,1) Net fair value gains/(losses) financial assets at fair value through profit or loss -	Fee and commission expenses	(46,106)	(55,956)	(47,516)	(57,227)				
Net fair value gains/(losses) financial assets at fair value through profit or loss financial liabilities at fair value through profit or loss Net gains/(losses) on derecognition of financial assets at fair value through other comprehensive income 18,052 3,270 18,052 3,270 Net other operating income 194,096 387,032 193,172 386,0 Total operating income 15,133,161 13,130,005 15,740,829 13,301,9 Impairment charges (524,539) (828,460) (524,604) (828,460) Net operating income 14,608,621 12,301,545 15,216,224 12,473,46 Personnel expenses (5,139,414) (4,872,709) (5,155,445) (4,891,16) Depreciation and amortization expenses (472,854) (285,275) (473,399) (285,70) Other expenses (2,124,621) (1,972,767) (2,115,061) (1,950,70) Operating profit/(loss) before VAT, NBT & DRL on Financial Services (4,871,732) 5,170,793 7,472,319 5,345,80 Value Added Tax (VAT) on financial services (1,525,074) (1,270,238) (1,604,171) (1,295,170,70) Debt Repayment Levy (DRL) on financia		,	381,816	501,709	382,193				
financial assets at fair value through profit or loss financial liabilities at fair value through profit or loss Net gains/(losses) on derecognition of financial assets at fair value through other comprehensive income Net other operating income 18,052 18,052 3,270 18,052 3,270 18,052 3,270 Net other operating income 194,096 387,032 193,172 386,0 Total operating income 15,133,161 13,130,005 15,740,829 13,301,9 Impairment charges (524,539) (828,460) (524,604) (828,400) Net operating income 14,608,621 12,301,545 15,216,224 12,473,4 Personnel expenses (5,139,414) (4,872,709) (5,155,445) (4,891,1 Depreciation and amortization expenses (472,854) (285,275) (473,399) (285,7 Other expenses (2,124,621) (1,972,767) (2,115,061) (1,950,7 Operating profit/(loss) before VAT, NBT & DRL on Financial Services Value Added Tax (VAT) on financial services (1,525,074) (1,270,238) (1,604,171) (1,295,1 Nation Building Tax (NBT) on financial services (203,343) (169,365) (213,889) (172,60) (172,60)		663,947	(45,216)	1,079,974	(48,179)				
financial liabilities at fair value through profit or loss Net gains/(losses) on derecognition of financial assets at fair value through other comprehensive income Net other operating income 18,052 194,096 387,032 193,172 386,0 Total operating income 15,133,161 13,130,005 15,740,829 13,301,5 Impairment charges (524,539) (828,460) (524,604) (828,460) Net operating income 14,608,621 12,301,545 15,216,224 12,473,4 Personnel expenses (5,139,414) (4,872,709) (5,155,445) (4,891,1 Depreciation and amortization expenses (472,854) (285,275) (473,399) (285,7 Other expenses Operating profit/(loss) before VAT, NBT & DRL on Financial Services Value Added Tax (VAT) on financial services (1,525,074) Nation Building Tax (NBT) on financial services (832,690) - (832,690)									
Net gains/(losses) on derecognition of financial assets at fair value through other comprehensive income 18,052 3,270 18,052 3,270 Net other operating income 194,096 387,032 193,172 386,0 Total operating income 15,133,161 13,130,005 15,740,829 13,301,5 Impairment charges (524,539) (828,460) (524,604) (828,460) Net operating income 14,608,621 12,301,545 15,216,224 12,473,4 Personnel expenses (5,139,414) (4,872,709) (5,155,445) (4,891,1 Depreciation and amortization expenses (472,854) (285,275) (473,399) (285,70) Other expenses (2,124,621) (1,972,767) (2,115,061) (1,950,70) Operating profit/(loss) before VAT, NBT & DRL on Financial Services 6,871,732 5,170,793 7,472,319 5,345,80 Value Added Tax (VAT) on financial services (1,525,074) (1,270,238) (1,604,171) (1,295,170,70) Nation Building Tax (NBT) on financial services (832,690) - (832,690) - (832,690)		-	-	-	-				
at fair value through other comprehensive income Net other operating income 18,052 194,096 387,032 193,172 386,0 Total operating income 15,133,161 13,130,005 15,740,829 13,301,5 Impairment charges (524,539) (828,460) (524,604) (828,4 Net operating income 14,608,621 12,301,545 15,216,224 12,473,4 Personnel expenses (5,139,414) (4,872,709) (5,155,445) (4,891,1 Depreciation and amortization expenses (2,124,621) (1,972,767) (2,115,061) (1,950,7) Operating profit/(loss) before VAT, NBT & DRL on Financial Services Value Added Tax (VAT) on financial services (1,525,074) Nation Building Tax (NBT) on financial services (832,690) 18,052 3,270 18,052 3,270 18,052 193,172 386,0 12,40829 13,301,5 15,240,829 12,473,49 (524,604) (828,460) (524,604) (828,460) (524,604) (828,460) (524,604) (828,460) (521,525,045) (473,399) (2,115,061) (1,950,70) (1,950,70) (2,115,061) (1,295,10		-	-	-	-				
Net other operating income 194,096 387,032 193,172 386,0 Total operating income 15,133,161 13,130,005 15,740,829 13,301,5 Impairment charges (524,539) (828,460) (524,604) (828,4 Net operating income 14,608,621 12,301,545 15,216,224 12,473,4 Personnel expenses (5,139,414) (4,872,709) (5,155,445) (4,891,1 Depreciation and amortization expenses (472,854) (285,275) (473,399) (285,7 Other expenses (2,124,621) (1,972,767) (2,115,061) (1,950,7 Operating profit/(loss) before VAT, NBT & DRL on Financial Services 6,871,732 5,170,793 7,472,319 5,345,8 Value Added Tax (VAT) on financial services (1,525,074) (1,270,238) (1,604,171) (1,295,1 Nation Building Tax (NBT) on financial services (203,343) (169,365) (213,889) (172,6 Debt Repayment Levy (DRL) on financial services (832,690) - (832,690)		18.052	3.270	18.052	3,270				
Total operating income 15,133,161 13,130,005 15,740,829 13,301,9 Impairment charges (524,539) (828,460) (524,604) (828,4 Net operating income 14,608,621 12,301,545 15,216,224 12,473,4 Personnel expenses (5,139,414) (4,872,709) (5,155,445) (4,891,1 Depreciation and amortization expenses (472,854) (285,275) (473,399) (285,7 Other expenses (2,124,621) (1,972,767) (2,115,061) (1,950,7 Operating profit/(loss) before VAT, NBT & DRL on Financial Services 6,871,732 5,170,793 7,472,319 5,345,8 Value Added Tax (VAT) on financial services (1,525,074) (1,270,238) (1,604,171) (1,295,1 Nation Building Tax (NBT) on financial services (203,343) (169,365) (213,889) (172,6 Debt Repayment Levy (DRL) on financial services (832,690) - (832,690)			,		386,093				
Impairment charges		15.133.161	13.130.005	15.740.829	13,301,918				
Net operating income 14,608,621 12,301,545 15,216,224 12,473,4 Personnel expenses (5,139,414) (4,872,709) (5,155,445) (4,891,1 Depreciation and amortization expenses (472,854) (285,275) (473,399) (285,7 Other expenses (2,124,621) (1,972,767) (2,115,061) (1,950,7 Operating profit/(loss) before VAT, NBT & DRL on Financial Services 6,871,732 5,170,793 7,472,319 5,345,8 Value Added Tax (VAT) on financial services (1,525,074) (1,270,238) (1,604,171) (1,295,17) Nation Building Tax (NBT) on financial services (203,343) (169,365) (213,889) (172,6 Debt Repayment Levy (DRL) on financial services (832,690) - (832,690) -					(828,460)				
Personnel expenses (5,139,414) (4,872,709) (5,155,445) (4,891,1 Depreciation and amortization expenses (472,854) (285,275) (473,399) (285,7 Other expenses (2,124,621) (1,972,767) (2,115,061) (1,950,7 Operating profit/(loss) before VAT, NBT & DRL on Financial Services (4,871,732 (1,270,238) (1,604,171) (1,295,1 Nation Building Tax (NBT) on financial services (203,343) (169,365) (213,889) (172,60 Operating profit/(loss) before VAT, NBT & DRL on Financial services (832,690) (832,690)									
Depreciation and amortization expenses (472,854) (285,275) (473,399) (285,70)									
Other expenses (2,124,621) (1,972,767) (2,115,061) (1,950,70) Operating profit/(loss) before VAT, NBT & DRL on Financial Services 6,871,732 5,170,793 7,472,319 5,345,8 Value Added Tax (VAT) on financial services (1,525,074) (1,270,238) (1,604,171) (1,295,174) Nation Building Tax (NBT) on financial services (203,343) (169,365) (213,889) (172,60) Debt Repayment Levy (DRL) on financial services (832,690) - (832,690)					(285,768)				
Operating profit/(loss) before VAT, NBT & DRL on Financial Services 6,871,732 5,170,793 7,472,319 5,345,8 Value Added Tax (VAT) on financial services (1,525,074) (1,270,238) (1,604,171) (1,295,1 Nation Building Tax (NBT) on financial services (203,343) (169,365) (213,889) (172,6 Debt Repayment Levy (DRL) on financial services (832,690) - (832,690)					(1,950,717)				
on Financial Services 6,871,732 5,170,793 7,472,319 5,345,5 Value Added Tax (VAT) on financial services (1,525,074) (1,270,238) (1,604,171) (1,295,174) Nation Building Tax (NBT) on financial services (203,343) (169,365) (213,889) (172,600) Debt Repayment Levy (DRL) on financial services (832,690) - (832,690) -		(=,-= :,==-)	(-,-,-,,-,)	(=,===,===)	(-,,-,,,-,)				
Value Added Tax (VAT) on financial services (1,525,074) (1,270,238) (1,604,171) (1,295,174) Nation Building Tax (NBT) on financial services (203,343) (169,365) (213,889) (172,674) Debt Repayment Levy (DRL) on financial services (832,690) - (832,690)		6 971 722	5 170 702	7 472 210	E 21E 911				
Nation Building Tax (NBT) on financial services (203,343) (169,365) (213,889) (172,600) Debt Repayment Levy (DRL) on financial services (832,690) - (832,690)									
Debt Repayment Levy (DRL) on financial services (832,690) - (832,690)					(172,686)				
			(107,303)		(172,000)				
Operating profit/(loss) after VAT, NBT and DRL		(022,070)		(052,000)					
		4,310,624	3,731,190	4,821,568	3,878,016				
Share of profits of associates and joint ventures	Share of profits of associates and joint ventures	-	-	-	-				
Profit/(loss) before tax 4,310,624 3,731,190 4,821,568 3,878,0	Profit/(loss) before tax	4,310,624	3,731,190	4.821.568	3,878,016				
					(1,790,492)				
Profit/(loss) for the period 2,293,097 1,989,914 2,635,849 2,087,5	Profit/(loss) for the period	2,293,097	1,989,914	2,635,849	2,087,525				
Profit attributable to:	Profit attributable to:								
		2,293,097	1.989.914	2,635,849	2,087,525				
Non-controlling interests	1 2	-		-	-,,				
Earnings per share on profit									
=					3.12				
Diluted earnings per ordinary share Rs. 2.44 2.97 2.80 3	Diluted earnings per ordinary share Rs.	2.44	2.97	2.80	3.12				

Basic earnings per ordinary share Rs. Diluted earnings per ordinary share Rs.	2.44 2.44	2.97 2.97	2.80 2.80	3.12 3.12	
STATEMENT OF CO	MPREHE	NSIVE INCOM	Tr.		
STATEMENT OF CO		Bank	Group		
For the Six months ended 30th June	2019 Rs. '000	2018 Rs. '000	2019 Rs. '000	2018 Rs. '000	
Profit/(Loss) for the period	2,293,097	1,989,914	2,635,849	2,087,525	
Items that will be reclassified to Income Statement Exchange differences on translation of foreign operations Net gains/(losses) on cash flow hedges Net gains/(losses) on investments in debt instruments measured at fair value through other comprehensive income	- -	(240,574)		(240,574)	
Share of profits of associates and joint ventures Debt instruments at fair value through other comprehensive income	132,875	(18,388)	208,937	(13,299)	
Net gains/(losses) on investment in debt instruments transferred to income statement Less: Tax expense relating to items that will be reclassified to income statement	(16,191)	2,527	(16,191)	2,527	
Total other comprehensive income to be reclassified to Income Statement	116,684	(256,436)	192,746	(251,347)	
Items that will not to be reclassified to Income Statement Change in fair value on investments in equity instruments designated at fair value through other comprehensive income Change in the fair value attributable to change in the Bank's own credit risk on financial liabilities designated at fair value	(1,020,488)	(368,847)	(1,020,488)	(368,847)	
through profit or loss Re-measurement of post-employment benefit obligations Change in revaluation surplus Share of profits of associates and joint ventures Less: Tax expense relating to items that will not be reclassified to income statement	-	- -	(72)	226	
Total other comprehensive income not to be reclassified to Income Statement	(1,020,488)	(368,847)	(1,020,560)	(368,621)	
Total other comprehensive income (OCI) for the period, net of taxes	(903,804)	(625,282)	(827,814)	(619,966)	
Total comprehensive income for the period	1,389,293	1,364,631	1,808,035	1,467,557	
Attributable to: Equity holders of the bank Non-controlling interests	1,389,293	1,364,631	1,808,035	1,467,557	

STATEMENT OF FINANCIAL POSITION								
		ank	Gro	up				
	As at 30.06.2019 Rs. '000	As at 31.12.2018 Rs. '000	As at 30.06.2019 Rs. '000	As at 31.12.2018 Rs. '000				
		(Audited)		(Audited)				
Assets								
Cash and cash equivalents	5,202,362	3,434,524	5,202,944	3,436,929				
Balances with central banks	-	-	151	177				
Placements with banks	23,663,939	17,588,445	23,663,939	17,588,445				
Derivative financial instruments	_	4,740,106	-	4,740,106				
Financial assets recognized through profit or loss								
measured at fair value	9,232,968	16,680,382	14,885,743	26,867,533				
designated at fair value	-	-	-	-				
Financial assets at amortised cost								
Loans and advances	447,810,052	423,532,145	448,584,021	423,557,119				
Debt and other instruments	550,919,134	518,947,969	555,049,088	522,973,159				
Financial assets measured at fair value through other								
comprehensive income	3,665,227	6,184,430	5,322,909	7,788,560				
Investments in subsidiaries	1,700,000	1,700,000	-	-				
Investments in associates and joint ventures	-	-	-	_				
Property, plant and equipment	13,768,565	13,465,755	13,772,268	13,468,776				
Right of use assets	895,765	-	895,765	-				
Investment properties	-	-	-	-				
Goodwill and intangible assets	-	-	-	-				
Deferred tax assets	-	-	124	73				
Other assets	35,021,009	31,209,216	35,297,293	31,532,684				
Total assets	1,091,879,018	1,037,482,973	1,102,674,244	1,051,953,560				
T 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1								
Liabilities	50 515 542	77 110 146	50 516 571	92 (15 2(4				
Due to banks	50,515,543	77,119,146	50,516,571	83,615,264				
Derivative financial instruments	3,286,737	1,533	3,286,737	1,533				
Financial liabilities recognized through profit or loss Financial liabilities at amortised cost	-	-	-	-				
Due to depositors	907,821,268	920 574 411	007 921 269	920 574 411				
	907,821,208	839,574,411	907,821,268	839,574,411				
Due to debt securities holders	22 100 724	14 904 902	22 200 645	21 750 179				
Due to other borrowers	23,190,724	14,804,802	32,390,645	21,750,178				
Lease liability Debt securities issued	931,302	- 52 200 122	931,302	- 				
	51,201,129	52,389,133	51,201,129	52,389,133				
Retirement benefit obligations Current tax liabilities	3,830,795	3,830,795	3,833,307	3,832,777				
	500.922	- 592 462	140,381	592 462				
Deferred tax liabilities Other provisions	599,833	582,463	599,833	582,463				
Other provisions Other liabilities	5,527,540	5,447,277	5,538,110	5,452,317				
Due to subsidiaries	750	750	3,336,110	3,432,317				
Total liabilities	1,046,905,620	993,750,308	1,056,259,282	1,007,198,076				
 Equity				· /				
	0.400.000	0.400.000	0.400.000	0.400.000				
Stated capital/Assigned capital	9,400,000	9,400,000	9,400,000	9,400,000				
Statutory reserve fund OCI reserve	3,342,615	3,227,960 528,430	3,342,615	3,227,960 390,210				
Retained earnings	(375,374) 6,655,516	4,622,080	(437,533) 7,488,880	5,198,451				
Other reserves	25,950,641	25,954,195	26,620,998	26,538,864				
Total shareholders' equity	44,973,398	43,732,665	46,414,962	44,755,484				
Non-controlling interests	- 1,713,376		10,717,702	,755,707				
Total equity	44,973,398	43,732,665	46,414,962	44,755,484				
Total equity and liabilities	1,091,879,018	1,037,482,973	1,102,674,244	1,051,953,560				
Contingent liabilities and commitments								
	4,432,164	4,481,397	4,432,164	4,481,397				
Memorandum Information	4.405	4 512						

4,495 4,512 Number of Employees 255 Number of Branches Note: Amounts stated are in net of impairment and depreciation.

Explanatory Notes:
1. There are no changes to the accounting policies and methods of computation except the application of SLFRS - 16 - leases since the publication of annual accounts for the year 2018. The Bank has applied SLFRS -16 effective from 01/01/2019 for the preparation of Financial Statements.

2. The Bank has not restated comparative information for 2018 for leases in the scope of SLFRS 16.

3. There are no material events taken place after the reporting period, which requires adjustment or disclosure in these Financial Statements.

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

STATEMENT OF CHANGES IN EQUITY - BANK									
		~	<u> </u>					In Rupees Thousand	
For the six months ended 30.06.2018	Stated Capital/Assigned Capital	Statutory Reserve Fund	Revaluation Reserve	OCI Reserve	Cash Flow Hedging Reserve	Retained Earnings	Other Reserves	Total Equity	
Balance as at 1st January 2018	6,700,000	3,002,952	7,793,317	1,345,237	291,924	1,102,798	18,859,461	39,095,691	
Total comprehensive income for the period Net profit for the period	_	-	-	-	_	1,989,914	-	1,989,914	
Net profit for the period Other comprehensive income net of tax Net change in fair value of debt instrument of fair value	-	-	-	-	(240,574)	· · · -	-	(240,574)	
I through other comprehensive income	_	-	-	(15,861)	-	-	-	(15,861)	
Net change in fair value of equity instrument of fair value through other comprehensive income	_	_	_	(368.847)	_	_	_	(368.847)	
Total comprehensive income for the period	-	-	-	(384,708)	(240,574)	1,989,914	-	1,364,631	
Transaction with equity holders, recognized directly in equity Transfers to unclaimed deposits reserve Contribution to the consolidated fund - Dividend / Levy Contribution to national insurance trust fund	_	_	_	_	_	_	(38,680)	(38,680)	
Contribution to the consolidated fund - Dividend / Levy	-	-	-	-	-		(50,000)	` ´ <u>-</u>	
Transfers during the period	-	99,496	-	-	-	(19,899) (99,496)	-	(19,899)	
Total transaction with equity holders Balance as at 30.06.2018	-	99,496		-	-	(119,395)	(38,680)	(58,579) 40,401,743	
Balance as at 30.06.2018	6,700,000	3,102,448	7,793,317	960,529	51,350	2,973,317	18,820,781	40,401,743	
For the six months ended 30.06.2019		Statutory Reserve Fund	Revaluation Reserve		Cash Flow Hedging Reserve	Retained Earnings	Other Reserves T		
For the six months ended 30.06.2019 Balance as at 1st January 2019 Impact of adopting SLFRS - 16	Stated Capital/Assigned Capital 9,400,000	Statutory Reserve Fund 3,227,960	Revaluation Reserve 7,793,317	OCI Reserve 528,430	Cash Flow Hedging Reserve	Retained Earnings 4,622,080 (122,075)	Other Reserves T 18,160,874	43,732,665 (122,075)	
Balance as at 1st January 2019 Impact of adopting SLFRS - 16 Re-stated opening balance under SLFRS - 16					Cash Flow Hedging Reserve	4,622,080		43,732,665	
Balance as at 1st January 2019 Impact of adopting SLFRS - 16 Re-stated opening balance under SLFRS - 16 Total comprehensive income for the period	9,400,000	3,227,960	7,793,317	528,430	Cash Flow Hedging Reserve	4,622,080 (122,075) 4,500,005	18,160,874	43,732,665 (122,075) 43,610,590	
Balance as at 1st January 2019 Impact of adopting SLFRS - 16 Re-stated opening balance under SLFRS - 16 Total comprehensive income for the period Net profit for the period Other comprehensive income net of tax	9,400,000	3,227,960	7,793,317	528,430	Cash Flow Hedging Reserve	4,622,080 (122,075)	18,160,874	43,732,665 (122,075)	
Balance as at 1st January 2019 Impact of adopting SLFRS - 16 Re-stated opening balance under SLFRS - 16 Total comprehensive income for the period Net profit for the period Other comprehensive income net of tax Net change in fair value of debt instrument of fair value	9,400,000	3,227,960	7,793,317	528,430 528,430	Cash Flow Hedging Reserve	4,622,080 (122,075) 4,500,005	18,160,874	43,732,665 (122,075) 43,610,590 2,293,097	
Balance as at 1st January 2019 Impact of adopting SLFRS - 16 Re-stated opening balance under SLFRS - 16 Total comprehensive income for the period 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	9,400,000	3,227,960	7,793,317	528,430	Cash Flow Hedging Reserve	4,622,080 (122,075) 4,500,005	18,160,874	43,732,665 (122,075) 43,610,590	
Balance as at 1st January 2019 Impact of adopting SLFRS - 16 Re-stated opening balance under SLFRS - 16 Total comprehensive income for the period Net profit for the period Other comprehensive income net of tax Net change in fair value of debt instrument of fair value	9,400,000	3,227,960	7,793,317	528,430 528,430	Cash Flow Hedging Reserve	4,622,080 (122,075) 4,500,005	18,160,874	43,732,665 (122,075) 43,610,590 2,293,097	
Balance as at 1st January 2019 Impact of adopting SLFRS - 16 Re-stated opening balance under SLFRS - 16 Total comprehensive income for the period 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 Total comprehensive income for the period	9,400,000	3,227,960	7,793,317	528,430 528,430	Cash Flow Hedging Reserve	4,622,080 (122,075) 4,500,005	18,160,874	43,732,665 (122,075) 43,610,590 2,293,097	
Balance as at 1st January 2019 Impact of adopting SLFRS - 16 Re-stated opening balance under SLFRS - 16 Total comprehensive income for the period 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 Total comprehensive income Total comprehensive income for the period Transaction with equity holders, recognized directly in equity	9,400,000	3,227,960	7,793,317 - 7,793,317 - -	528,430 528,430 - 116,684 (1,020,488)	-	4,622,080 (122,075) 4,500,005 2,293,097	18,160,874 18,160,874	43,732,665 (122,075) 43,610,590 2,293,097 116,684 (1,020,488) 1,389,293	
Balance as at 1st January 2019 Impact of adopting SLFRS - 16 Re-stated opening balance under SLFRS - 16 Total comprehensive income for the period 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 Total comprehensive income for the period Transaction with equity holders, recognized directly in equity Transfers to unclaimed deposits reserve	9,400,000	3,227,960	7,793,317 - 7,793,317 - -	528,430 528,430 - 116,684 (1,020,488)	-	4,622,080 (122,075) 4,500,005 2,293,097	18,160,874 18,160,874	43,732,665 (122,075) 43,610,590 2,293,097 	
Balance as at 1st January 2019 Impact of adopting SLFRS - 16 Re-stated opening balance under SLFRS - 16 Total comprehensive income for the period 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 Total comprehensive income Total comprehensive income Transaction with equity holders, recognized directly in equity Transfers to unclaimed deposits reserve Contribution to the consolidated fund - Dividend / Levy Contribution to the national insurance trust fund	9,400,000	3,227,960	7,793,317 - 7,793,317 - -	528,430 528,430 - 116,684 (1,020,488)	-	4,622,080 (122,075) 4,500,005 2,293,097 - - 2,293,097	18,160,874 18,160,874	43,732,665 (122,075) 43,610,590 2,293,097 116,684 (1,020,488) 1,389,293	
Balance as at 1st January 2019 Impact of adopting SLFRS - 16 Re-stated opening balance under SLFRS - 16 Total comprehensive income for the period 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 Total comprehensive income Total comprehensive income for the period Transaction with equity holders, recognized directly in equity Transfers to unclaimed deposits reserve Contribution to the consolidated fund - Dividend / Levy Contribution to the national insurance trust fund Transfers during the period	9,400,000	3,227,960 3,227,960	7,793,317 - 7,793,317 - -	528,430 528,430 - 116,684 (1,020,488)	-	4,622,080 (122,075) 4,500,005 2,293,097 - - - (22,931) (114,655)	18,160,874 18,160,874	43,732,665 (122,075) 43,610,590 2,293,097 116,684 (1,020,488) 1,389,293 (3,550) (22,931)	
Balance as at 1st January 2019 Impact of adopting SLFRS - 16 Re-stated opening balance under SLFRS - 16 Total comprehensive income for the period 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 Total comprehensive income Total comprehensive income Transaction with equity holders, recognized directly in equity Transfers to unclaimed deposits reserve Contribution to the consolidated fund - Dividend / Levy Contribution to the national insurance trust fund	9,400,000	3,227,960	7,793,317 - 7,793,317 - -	528,430 528,430 - 116,684 (1,020,488)	-	4,622,080 (122,075) 4,500,005 2,293,097 - - 2,293,097	18,160,874 18,160,874	43,732,665 (122,075) 43,610,590 2,293,097 116,684 (1,020,488) 1,389,293	

STATEMENT OF CHANGES IN EQUITY - GROUP

								In Rupees Thousand
For the six months ended 30.06.2018	Stated Capital/Assigned Capital	Statutory Reserve Fund	Revaluation Reserve	OCI Reserve	Cash Flow Hedging Reserve	Retained Earnings	Other Reserves	Total Equity
Balance as at 1st January 2018	6,700,000	3,002,952	7,793,317	1,228,420	291,924	1,679,540	19,444,122	40,140,278
Total comprehensive income for the period								
Net profit for the period	-	-	-	-	-	2,087,525	-	2,087,525
Other comprehensive income net of tax	-	-	-	-	(240,574)	226	-	(240,348)
Net change in fair value of debt instrument of fair value				(10.550)				(10.550)
through other comprehensive income	-	-	-	(10,772)	-	-	-	(10,772)
Net change in fair value of equity instrument of fair value through other comprehensive income				(368,847)				(368,847)
Total comprehensive income for the period			_	(379,619)	(240,574)	2.087.751	-	1,467,557
Transaction with equity holders, recognized directly in equity				(573,015)	(240,574)	2,007,751		1,407,557
Transfers to unclaimed deposits reserve	_	_	_	_	_	_	(38,680)	(38,680)
Contribution to the consolidated fund - Dividend / Levy	_	_	_	_	_	_	-	(20,000)
Contribution to national insurance trust fund	_	_	_	_	_	(19,899)	_	(19,899)
Transfers during the period	_	99,496	_	_	_	(123,899)	24,403	(15,055)
Total transaction with equity holders	_	99,496	_		_	(143,798)	(14,277)	(58,579)
Balance as at 30.06.2018	6,700,000	3,102,448	7,793,317	848.801	51,350	3,623,493	19,429,845	41,549,256
Datatice as at 50.00.2016	0,700,000	3,102,448	7,793,317	848,801	51,330	3,023,493	19,429,845	41,549,250

Dalance as at 50.00.2016	0,700,000	3,102,440	7,793,317	040,001	51,550	3,023,493	19,429,045	41,549,250
For the six months ended 30.06.2019	Stated Capital/Assigned Capital	Statutory Reserve Fund	Revaluation Reserve	OCI Reserve	Cash Flow Hedging Reserve	Retained Earnings	Other Reserves	Total Equity
Balance as at 1st January 2019	9,400,000	3,227,960	7,793,317	390,209	-	5,198,451	18,745,544	44,755,484
Impact of adopting SLFRS - 16	-	-	_	-	-	(122,075)	-	(122,075)
Re-stated opening balance under SLFRS - 16	9,400,000	3,227,960	7,793,317	390,209	-	5,076,376	18,745,544	44,633,409
Total comprehensive income for the period Net profit for the period	_	-	_	-	-	2,635,849	-	2,635,849
Other comprehensive income net of tax	-	-	-	-	-	(72)	-	(72)
Net change in fair value of debt instrument of fair value through other comprehensive income	_	_	-	192,746	_	_	_	192,746
Net change in fair value of equity instrument of fair value through other comprehensive income	_	_	_	(1,020,488)	_	-	_	(1,020,488)
Total comprehensive income for the period	-	-	-	(827,741)	-	2,635,777	-	1,808,035
Transaction with equity holders, recognized directly in equity Transfers to unclaimed deposits reserve	-	-	-	-	-	-	(3,550)	(3,550)
Contribution to the consolidated fund - Dividend / Levy	-	-	-	-	-	(22.021)	-	(22.021)
Contribution to national insurance trust fund Transfers during the period	-	114,655	-		-	(22,931) (200,343)	85,688	(22,931)
Total transaction with equity holders	-	114,655		-	-	(223,274)	82,138	(26,481)
Balance as at 30.06.2019	9,400,000	3,342,615	7,793,317	(437,533)	-	7,488,880	18,827,682	46,414,962

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



NATIONAL SAVINGS BANK

FINANCIAL STATEMENTS

AAA(SL)

For the six months ended 30th June 2019

For the six months ended 30 th June 2019									
ANALYSIS OF FINANCIAL INST	RUMENTS O	N MEASU	REMENT P	BASIS	ANALYSIS OF FINANCIAL INSTRU	JMENTS O	N MEASU	REMENT B	ASIS
a. Bank - as at 30.06.2019					c. Group - as at 30.06.2019				
In Rupees Thousand	AC	FVPL	FVOCI	Total	In Rupees Thousand ASSETS	AC	FVPL	FVOCI	Total
ASSETS Cash and cash equivalents	5,202,362	_	_	5,202,362	Cash and cash equivalents Balances with central Bank Placements with banks	5,202,944 151 23,663,939	-	-	5,202,944 151 23,663,939
Balances with central Bank Placements with banks	23,663,939	-	-	23,663,939	Derivative financial instruments Loans and advances	448,584,021			448,584,021
Derivative financial instruments Loans and advances	23,663,939 - 447,810,052	-	-	23,663,939 - 447,810,052	Debt instruments Equity instruments	555,049,088	13,333,470 1,552,273	2,557,728 2,765,181	570,940,287 4,317,454
Debt instruments	550,919,134	7,680,695	901,046	559,500,875	Total financial assets	1,032,500,144	14,885,743	5,322,909	1,052,708,795
Equity instruments Total financial assets	1,027,595,487	1,552,273 9,232,968	2,764,181 3,665,227	4,316,454 1,040,493,682	In Rupees Thousand LIABILITIES		AC 516 571	FVPL	Total 50.516.571
10tdi illidiletati assers	1,047,070,300	7,434,700	3,000,222.	1,040,423,002	Due to banks Derivative financial instruments Financial liabilities		50,516,571	3,286,737	50,516,571 3,286,737
In Rupees Thousand		AC	FVPL	Total	due to depositorsdue to debt securities holders		907,821,268	-	907,821,268
LIABILITIES					- due to other borrowers Debt securities issued		32,390,645 51,201,129	<u>-</u>	32,390,645 51,201,129
Due to banks Derivative financial instruments		50,515,543	3,286,737	50,515,543 3,286,737	Total financial liabilities d. Group - as at 31.12.2018 - (Audited)		1,041,929,613	3,286,737	1,045,216,350
Financial liabilities - due to depositors		907,821,268	J,200,15.	907,821,268	In Rupees Thousand	AC	FVPL	FVOCI	Total
- due to debt securities holders		-	-	-	ASSETS Cash and cash equivalents	3,436,929	-	-	3,436,929
- due to other borrowers Debt securities issued		23,190,724 51,201,129	- -	23,190,724 51,201,129	Balances with central Bank Placements with banks Derivative financial instruments	177 17,588,445	-	- - 4 740 106	177 17,588,445 4,740,106
Total financial liabilities		1,032,728,663	3,286,737	1,036,015,400	Loans and advances Debt instruments	423,557,119 522,973,159	- - 24,988,614	4,740,106 - 4,037,045	4,740,106 423,557,119 551,998,818
					Equity instruments Total financial assets	967,555,828	1,878,919 26,867,533	3,751,515 12,528,666	5,630,434
b. Bank - as at 31.12.2018 - (Audited)		-			In Rupees Thousand		AC	FVPL	Total
In Rupees Thousand	AC	FVPL	FVOCI	Total	LIABILITIES Due to banks		83,615,264		83,615,264
ASSETS Cook and each equivalents	2 424 524			2 424 524	Derivative financial instruments Financial liabilities		-	1,533	1,533
Cash and cash equivalents Balances with central Bank	3,434,524	-	-	3,434,524	 due to depositors due to debt securities holders due to other borrowers 		839,574,411 - 21,750,178	-	839,574,411 - 21,750,178
Placements with banks Derivative financial instruments	17,588,445	-	4,740,106	17,588,445 4,740,106	Debt securities issued Total financial liabilities		52,389,133 997,328,986	1,533	52,389,133 997,330,518
Loans and advances Debt instruments	423,532,145 518,947,969	14,801,463	2,433,915	423,532,145 536,183,346	CASH FLOW	STATEM		1,000	997,330,310
Equity instruments	-	1,878,919	3,750,515	5,629,434		Bar		Gro	out D
Total financial assets	963,503,083	16,680,382	10,924,536	991,108,000		30.06.2019 Rs. '000	30.06.2018 Rs. '000	30.06.2019 Rs. '000	30.06.2018 Rs. '000
In Rupees Thousand	1	AC	FVPL	Total	Cash flows from operating activities Interest receipts	55,383,812	51,352,950	56,244,483	51,735,016
LIABILITIES				10	Interest payment Net commission receipts	(41,794,388) 499,222	(42,232,680) 381,816	(42,188,979) 501,709	(42,542,349) 382,193
Due to banks		77,119,146	-	77,119,146	Trading income Payment to employees VAT, NBT & DRL on financial services	283,130 (5,392,772) (2,319,655)	29,544 (4,128,517) (1,767,289)	316,442 (5,408,797) (2,382,696)	81,279 (4,147,442) (1,803,244)
Derivative financial instruments Financial liabilities		-	1,533	1,533	Receipts from other operating activities Payment on other operating activities	148,641 (2,097,530)	102,145 (1,818,025)	147,717 (2,091,700)	101,206 (1,796,920)
due to depositorsdue to debt securities holders		839,574,411	-	839,574,411	Operating profit before change in operating assets & liabilities (Increase) / decrease in operating assets	4,710,458	1,919,943	5,138,178	2,009,739
- due to other borrowers Debt securities issued		14,804,802 52,389,133	-	14,804,802 52,389,133	Balances with Central Bank of Sri Lanka Placements with banks	(5,813,377)	(16,174,555)	(5,813,377)	(16,174,555)
Total financial liabilities		983,887,492	1,533	983,889,025	Derivative financial instruments Financial assets at FVPL Financial assets at amortised cost - loans & advances	4,740,106 7,551,873	(134,154) (3,578,470)	4,740,106 12,302,974	(134,154) (4,647,019) (19,015,763)
AC - Financial assets / liabilities measured at amo FVPL - Financial assets / liabilities measured at fair FVOCI - Financial assets / liabilities measured at fair	ortised cost value through prof	ät or loss			Financial assets at amortised cost - loans & advances Financial assets at amortised cost - debt & other instrument Proceeds from the sale and maturity of financial investments	(23,955,906) (30,555,812)	(17,697,603) (20,462,956) -	(24,700,889) (30,658,572)	(19,015,763) (20,799,828) -
					Other assets	(3,884,242) (51,917,357)	(4,687,175) (62,734,912)	(3,837,058) (47,966,816)	(4,702,845) (65,474,164)
ANALYSIS OF LOANS & A	ADVANCES A	AND IMPA	IRMENT		Increase/(decrease) in operating liabilities Due to bank	(27,148,115)	8,406,754	(33,623,123)	8,276,058
	Baı	nk	Gro	oup	Derivative financial instruments Financial liabilities at amortised cost-due to depositors	3,277,987 67,083,544	408,409 55,731,521	3,277,987 67,083,544	408,409 55,731,521
In Rupees Thousand	As at	As at	As at	As at	Financial liabilities at amortised cost-due to debt securities holders Financial liabilities at amortised cost-due to other borrowers Debt securities issued	8,218,455 (1,556,675)	(5,595,601) 4,989,000	10,335,868 (1,556,675)	(2,737,596) 4,989,000
Product miss Cross loans and advances	30.06.2019	31.12.2018	30.06.2019	31.12.2018	Other liabilities	126,718 50,001,913	(90,901) 63,849,182	109,824 45,627,425	(111,322) 66,556,071
Product-wise Gross loans and advances By product - Domestic currency Torm loans	202 004 262	257 000 027	202 204 262	257 000 022	Net cash generated from operating activities before income tax	2,795,014	3,034,213	2,798,787	3,091,645
Term loans Pawning	393,094,263 33,274,248	367,008,832 30,530,726	393,094,263 33,274,248	367,008,832 30,530,726	Income tax paid Net cash (used in)/from operating activities	(2,000,157) 794,857	(1,716,086) 1,318,127	(2,028,019) 770,768	(1,825,286) 1,266,359
Other loans Loan to Government	2,075,000	2,075,000	2,075,000	2,075,000	Cash flows from investing activities Purchase of property, plant and equipment Proceeds from the sale of property, plant and equipment	(665,036) 4,086	(1,018,286) 5,786	(666,263) 4,086	(1,018,374) 5,786
Securities purchased under resale agreements Staff loans	2,827,294 6,705,389	2,357,240 6,103,442	3,601,263 6,705,389	2,382,213 6,103,442	Net (increase)/decrease in financial instruments at fair value through other comprehensive income	4,086 1,537,325	5,786 497,830	4,086 1,559,765	5,786 545,955
Sub Total	437,976,193	408,075,240	438,750,162	408,100,213	Net purchase of intangible assets Net cash flow from acquisition of investment in	-	-	-	· -
By product - Foreign currency Term loans	14,192,616	19,303,215	14,192,616	19,303,215	subsidiaries and associates Dividends received from investment in subsidiaries and associates	-	>	-	-
Gross loans and advances	452,168,809	427,378,455	452,942,778	427,403,428	Net cash (used in)/from investing activities Cash flows from financing activities	876,375	(514,671)	897,588	(466,633)
Gross Loans & advances	452,168,809	427,378,455	452,942,778	427,403,428	Net proceeds from the issue of ordinary share capital Net proceeds from the issue of subordinated debt Repayment of subordinated debt	-	-	-	i - 1
Less: Accumulated impairment under stage 1	(1,698,519)	(1,610,731)	(1,698,519)	(1,610,731)	Interest paid on subordinated debt Withholding tax on dividend paid	-	(388,932)	-	(388,932)
Accumulated impairment under stage 2 Accumulated impairment under stage 3	(295,266) (2,364,972)	(272,348) (1,963,230)	(295,266) (2,364,972)	(272,348) (1,963,230)	Contribution to consolidated fund-dividend/levy Other Borrowings	-		-	-
Net value of loans & advances	447,810,052	423,532,145	448,584,021	423,557,119	Net cash from financial activities Net increase/(decrease) in cash & cash equivalents	1,671,232	(388,932) 414,524	1,668,355	(388,932) 410,795
**					Cash and cash equivalents at the beginning of the year Cash and cash equivalents at the end of the period	3,351,975 5,023,207	3,669,188 4,083,713	3,354,558 5,022,914	3,673,741 4,084,535
Movement of Impairment during the period Under Stage 1	1 (10 721	1 127 166	1 (10 72)	: 127.166	SELECTED PERFORMANCE INDICAT				
Opening balance Charge/(Write back) to Income Statement	1,610,731 87,788	1,127,166 483,565	1,610,731 87,788	1,127,166 483,565	OBLICTED TEST OF	•	Bank		roup
Closing balance	1,698,519	1,610,731	1,698,519	1,610,731	Item	As at 30.06.2019	As at 31.12.2018	As at 30.06.2019	As at 31.12.2018
Under Stage 2					Regulatory Capital Adequacy (LKR in Thousand) Common Equity Tier 1	30,174,747	30,434,481	32,489,465	32,750,842
Opening balance Charge/(Write back) to Income Statement	272,348 22,918	128,432 143,916	272,348 22,918	128,432 143,916	Core (Tier 1) Capital Total Capital Base	30,174,747 36,260,436	30,434,481		32,750,842 39,102,064
Closing balance	295,266	272,348	295,266	272,348	Regulatory Capital Ratios (%) Common Equity Tier 1 Capital (%)	12.647	7 13.325	13.530	14.140
Under Stage 3	- 252 220				(Minimum Requirement, 2019-8.5 % 2018-7.375%) Tier 1 Capital Ratio (Minimum Requirement, 2019-10.00 %, 2018-8.875%) Total Capital Ratio (Minimum Requirement, 2019-14.00 %, 2018-12.875%)	12.647 15.197			14.140 16.882
Opening balance Charge/(Write back) to Income Statement	1,963,230 409,306	1,479,175 503,642	1,963,230 409,306	1,479,175 503,642	Leverage Ratio (Minimum Requirement - 3.00%)	4.84			5.00
Write-off during the year	(7,564)	(19,587)	(7,564)	(19,587)	Regulatory Liquidity Statutory Liquid Assets (LKR in Thousand) Statutory Liquid Assets Ratio, % (Minimum Requirement, 20%)	485,604,990	6 424,490,106	5 NR	NR
Closing balance Total Impairment	2,364,972 4,358,757	1,963,230 3,846,309	2,364,972 4,358,757	1,963,230 3,846,309	Domestic Banking Unit (%) Off-Shore Banking Unit (%)	57.50 NF	R NR	R NR	NR NR
10tai iiipaniiiviit	T,000,10.	J,010,002	4,000,10.	J,010,002	Total Stock of High Quality Liquid Assets (LKR in Thousand) Liquidity Coverage Ratio (%) (Minimum Requirement, 2019 - 100%, 2018-90%)	482,264,333	3 419,793,574	4 NR	NR
ANALYSI	IS OF DEPOS	ITS			Rupee (%) All Currency (%)	307.65 306.1	1 321.29	NR NR	NR NR NB
	Baı	nk	Gro	oup	Net Stable Funding Ratio (%) - (Minimum Requirement-90%) Assets Quality (Quality of Loan Portfolio) Gross Non-Performing Advances Ratio, % (Net of Interest in Suspense)	146.94			NR NR
In Rupees Thousand	As at 30.06.2019	As at	As at	As at	Net Non-Performing Advances, % (Net of Interest in Suspense and Provisions) Profitability	1.40			NR NR
By product - Domestic currency	30.06.2019	31.12.2018	30.06.2019	31.12.2018	Interest Margin, % Return on Assets (before Tax), %	2.61 0.82	0.78	0.90	2.44 0.77
Demand deposits (current accounts) Savings deposits	204,518,175	- 194,946,317	204,518,175	194,946,317	Return on Equity, % Note: * NR - Not Relevant	10.43			10.60
Fixed deposits	692,086,039	633,632,405	692,086,039	633,632,405	CERTIFICATION: I certify that the above Financial Statements give a true and fair view of the State of Affairs of t	ha Rank and its subsidi	arv as at 30th June 2019 :	and the profits for the six	months then ended.
Sub Total Proposition our representation of the supplier of t	896,604,213	828,578,722	896,604,213	828,578,722	Sgd. Kithsiri Wijeyaratne Senior Deputy General Manager	HC Dank dive	11 y do at 50	illu the prome	months then en
By product - Foreign currency Demand deposits (current accounts) Savings deposits	3,245,331	3,375,609	- 245 221	- 3,375,609	We, the undersigned, being the Chairman and the General Manager / Chief Execu				
Savings deposits Fixed deposits Sub total	7,971,724	7,620,080	3,245,331 7,971,724	7,620,080 10,995,689	(a) the above statements have been prepared in compliance with the format and definit (b) the information contained in these statements have been extracted from the unaudite				ss indicated as audited.
Sub total	11,217,055	10,995,689	11,217,055	10,995,689	Sad	Sød			

Sgd. **Jayaraja Chandrasekera** Chairman

20th August 2019, Colombo, Sri Lanka

Sgd. Dammika Perera

839,574,411

907,821,268

839,574,411

907,821,268