

NATIONAL SAVINGS BANK **FINANCIAL STATEMENTS**

For the year ended 31st December 2018

Assets

STATEMENT OF FINANCIAL POSITION - AUDITED Bank

As at

31.12.2018

Rs. '000

As at

31.12.2017

Rs. '000

Restated

Group

As at

31.12.2017

Rs. '000

Restated

In Runees Thousand

As at

31.12.2018

Rs. '000

INCOME STA	TEMENT -	· AUDITED			
	Ba	nk	Group		
For the year ended 31st December	2018	2017	2018	2017	
	Rs. '000	Rs. '000 Destated	Rs. '000	Rs. '000 Destated	
Gross Income	111,902,078	Restated 107,995,784	112,760,454	Restated 108,234,622	
Interest income	110,506,931	103,578,838	111.718.948	104,424,417	
Interest expenses	(85,622,275)	(78,444,825)	(86,460,269)	(78,987,596)	
Net interest income	24,884,656	25,134,013	25,258,679	25,436,821	
Fee and commission income	1,005,262	782,776	1,008,482	785,077	
Fee and commission expenses	(141,196)	(109,082)	(144,685)	(113,037)	
Net fee and commission income	864,066	673,694	863,797	672,040	
Net gains/(losses) from trading	(707,433)	1,206,408	(1,062,421)	1,520,740	
Net fair value gains/(losses) on financial assets/liabilities	-	-	-	-	
Net gains/(losses) on derecognition of financial assets					
at fair value through other comprehensive income	6,906	707,491	6,906	707,491	
Net other operating income	1,090,412	1,720,272	1,088,539	796,897	
Total operating income	26,138,607	29,441,877	26,155,500	29,133,988	
Impairment charges	(871,049)	(765,847)	(870,994)	(765,858)	
Net operating income	25,267,558	28,676,030	25,284,506	28,368,130	
Personnel expenses	(9,262,705)	(6,886,505)	(9,302,548)	(6,918,813)	
Depreciation and amortization expenses	(638,795)	(423,547)	(639,779)	(424,352)	
Other expenses	(4,194,979)	(3,737,364)	(4,160,782)	(3,682,765)	
Operating profit/(loss) before VAT, NBT & DRL				,	
on Financial Services	11,171,079	17,628,615	11,181,397	17,342,200	
Value Added Tax (VAT) on financial services	(2,577,657)	(3,082,619)	(2,584,220)	(3,168,299)	
Nation Building Tax (NBT) on financial services	(343,688)	(411,016)	(344,563)	(422,440)	
Debt Repayment Levy (DRL) on financial services	(308,371)	(411,010)	(308,371)	(422,440)	
Operating profit/(loss) after VAT, NBT and DRL	(500,571)		(500,571)		
on financial services	7,941,364	14,134,980	7,944,243	13,751,461	
Share of profits of associates and joint ventures	-	-			
	7.041.264	14 124 090	7 044 242	12 751 461	
Profit/(loss) before tax Income tax expenses	7,941,364 (3,441,213)	14,134,980 (4,419,019)	7,944,243 (3,444,056)	13,751,461 (4,595,065)	
*		,			
Profit/(loss) for the year	4,500,151	9,715,961	4,500,187	9,156,396	
Profit attributable to:					
Equity holders of the Bank	4,500,151	9,715,961	4,500,187	9,156,396	
Non-controlling interests	-	-	-	-	
Earnings per share on profit					
Basic Earnings per ordinary share (Rs.)	6.72	15.67	6.72	14.77	
Diluted earnings per ordinary share (Rs.)	6.72	15.67	6.72	14.77	
	•=		•=		
STATEMENT OF COMPR	REHENSIVI	E INCOME -	AUDITED)	
		ank	~	oup	
For the year ended 21st Desember				-	
For the year ended 31st December	2018 Pa /000	2017 Rs. '000	2018 Rs. '000	2017 Rs. '000	
	Rs. '000	Restated	KS. 000	Restated	
Profit/(Loss) for the year	4,500,151	9,715,961	4,500,187	9,156,396	
Items that will be reclassified to Income Statement	.,,	- , , , ,	.,,		
Exchange differences on translation of foreign operations		-	_	-	
Net gains/(losses) on cash flow hedges	(291.924)	290.074	(291.924)	290.074	

(291,924)

(127,741)

(418,295)

(690,435)

(210,861)

(901,296)

(1,319,591)

3,180,560

3,180,560

1,370

290,074

693,559

(690, 388)

293,245

(36,752)

(2,072,425)4,508,480

2,399,303

2,692,547

12,408,508

12,408,508

Number of Employees Number of Branches	4,512 255	4,470 253		
Memorandum Information	4 510	4 470		
Contingent liabilities and commitments	4,481,397	18,320,312	4,481,397	18,320,312
Total equity and liabilities	1,037,482,973	1,010,977,382	1,051,953,560	1,017,668,610
Total equity	43,732,665	39,095,691	44,755,484	40,140,278
Non-controlling interests	-	-	-	
Total shareholders' equity	43,732,665	39,095,691	44,755,484	40,140,278
Other reserves	25,954,192	26,652,781	26,538,859	27,237,440
Retained earnings	4,622,080	1,102,798	5,198,451	1,679,540
OCI reserve	528,430	1,637,161	390,209	1,520,344
Statutory reserve fund	3,227,960	3,002,952	3,227,960	3,002,952
Equity Stated capital/Assigned capital	9,400,000	6,700,000	9,400,000	6,700,000
Total liabilities	993,750,308	971,881,691	1,007,198,076	977,528,332
Due to subsidiaries	750	750	-	-
Other liabilities	5,447,277	5,350,244	5,452,317	5,394,795
Other provisions	-	-	-	-
Deferred tax liabilities	582,463	507,063	582,463	507,138
Current tax liabilities	-	-	-	137,344
Retirement benefit obligations	3,830,795	3,711,431	3,832,777	3,712,665
Debt securities issued	52,389,133	162,709,027	52,389,133	162,709,027
Due to other borrowers	14,804,802	12,837,008	21,750,178	17,545,212
Due to debt securities holders	-	-	-	-
Due to depositors	839,574,411	737,212,640	839,574,411	737,212,640
Financial liabilities at amortised cost	-	-	-	-
Financial liabilities recognized through profit or loss		-		
Derivative financial instruments	1,533	48,390,391 956,937	1,533	956,937
Due to banks	77,119,146	48,596,591	83,615,264	49,352,574
Liabilities				
Total assets	1,037,482,973	1,010,977,382	1,051,953,560	1,017,668,610
Other assets	31,209,216	25,695,689	31,532,684	25,976,944
Deferred tax assets	_	-	73	-
Goodwill and intangible assets	-	-	-	-
Investment properties				
Property, plant and equipment	13,465,755	12,395,684	13,468,776	12,399,334
Investments in subsidiaries	1,700,000	900,000	-	-
comprehensive income Investments in subsidiaries	6,184,430	5,693,829	7,788,560	7,513,932
Financial assets measured at fair value through other	6 194 420	5 602 820	7 799 560	7 512 022
Debt and other instruments	518,947,969	555,468,618	522,973,159	559,319,752
Loans and advances	423,532,145	375,703,730	423,557,119	374,416,626
Financial assets at amortised cost	100 500 115		100 555 110	074 414 404
designated at fair value	-	-	-	-
measured at fair value	16,680,382	6,472,314	26,867,533	9,389,950
Financial assets recognized through profit or loss	10 000 000	< 100 ····	0000	0.000 000
Derivative financial instruments	4,740,106	1,360,714	4,740,106	1,360,714
Placements with banks	17,588,445	23,437,274	17,588,445	23,437,274
Balances with central banks	-	-	177	94
Cash and cash equivalents	3,434,524	3,849,530	3,436,929	3,853,989

Note: Amounts stated are net of impairment and depreciation.

Explanatory Notes :-

Equity holders of the Bank

Non-controlling interests

reclassified to income statement

There are no changes to the accounting policies and methods of computation except the application of SLFRS - 09 since the publication of annual accounts 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 restated comparative information for 2017 for financial instruments in the scope of SLFRS 09.

(291,924)

(149,144)

(439,698)

(690,436)

(211, 258)

(901,694)

(1,341,392)

3,158,795

3,158,795

1,370

290,074

858,802

(690,388)

458,488

(36,752)

(2,072,155)

4,508,480

2,399,573

2,858,060

12,014,456

12,014,456

Net gains/(losses) on cash flow hedges Net gains/(losses) on investments in debt instruments measured

Less : Tax expense relating to items that will be reclassified to

Debt instruments at fair value through other comprehensive income

Total other comprehensive income to be reclassified to Income Statement

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 cerdit risk on financial liabilities designated at fair value

Total other comprehensive income not to be reclassified to

Total other comprehensive income (OCI) for the year,

Re-measurement of post-employment benefit obligations

Changes in revaluation surplus Less : Tax expenses relating to items that will not be

Total comprehensive income for the year

at fair value through other comprehensive income

Net gains/(losses) on investment in debt instruments

transferred to income statement

income statement

through profit or loss

Income Statement

net of taxes

Attributable to:

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

STATEMENT OF CHANGES IN EQUITY - BANK - AUDITED

								Rupees Thousand
For the year ended 31.12.2017	Stated Capital/Assigned Capital	Statutory Reserve Fund	Revaluation Reserve	Available for Sale Reserve / OCI Reserve	Cash Flow Hedging Reserve	Retained Earnings	Other Reserves	Total Equity
Balance as at 1st January 2017	6,200,000	2,522,467	3,296,565	1,378,818	1,850	2,379,307	16,466,570	32,245,580
Impact of adopting SLFRS 9	-			-	-	(1,232,348)	-	(1,232,348)
Restated opening balance as at 1st January 2017	6,200,000	2,522,467	3,296,565	1,378,818	1,850	1,146,959	16,466,570	31,013,232
Total comprehensive income for the period								
Net profit for the year	-	-	-	-	-	9,715,961	-	9,715,961
Other comprehensive income net of tax	-	-	4,508,480	(33,581)	290,074	(2,072,425)	-	2,692,547
Total comprehensive income for the period	-	-	4,508,480	(33,581)	290,074	7,643,536	-	12,408,508
Transaction with equity holders, recognized directly in equity								
Transfers to unclaimed deposits reserve/Issued Share Capital	500,000	-	-	-	-	-	392,891	892,891
Contribution to the consolidated fund-Dividend / Levy	-	-	-	-	-	(5,111,114)	-	(5,111,114)
Contribution to national insurance trust fund	-	-	-	-	-	(96,097)	-	(96,097)
Transfers to reserves during the period	-	480,485	(11,728)	-	-	(2,480,485)	2,000,000	(11,728)
Total transactions with equity holders	500,000	480,485	(11,728)	-	-	(7,687,696)	2,392,891	(4,326,048)
Balance as at 31.12.2017	6,700,000	3,002,952	7,793,317	1,345,237	291,924	1,102,798	18,859,461	39,095,691
For the year ended 31.12.2018	Stated Capital / Assigned Capital	Statutory Reserve Fund	Revaluation Reserve	OCI Reserve	Cash Flow Hedging Reserve	Retained Earnings	Other Reserves	Total Equity

For the year ended 51.12.2018	Stated Capital / Assigned Capital	Statutory Reserve Fund	Revaluation Reserve	OCI Reserve	Cash Flow neughig 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								í l
Net profit for the year	-	-	-	-	-	4,500,151	-	4,500,151
Other comprehensive income net of tax	-	-	-	-	(291,924)	(210,861)	-	(502,784)
Net change in fair value of debt instrument of fair value								i l
through other comprehensive income	-	-	-	(126,371)	-	-	-	(126,371)
Net change in fair value of equity instrument of fair value								i l
through other comprehensive income	-	-	-	(690,436)	-	-	-	(690,436)
Total comprehensive income for the period	-	-	-	(816,807)	(291,924)	4,289,290	-	3,180,560
Transaction with equity holders, recognised directly in equity							((00.507)	2 001 412
Transfers to unclaimed deposits reserve / Issued Share Capital	2,700,000	-	-	-	-	(500.000)	(698,587)	2,001,413
Contribution to the consolidated fund - Dividend/Levy	-	-	-	-	-	(500,000)	-	(500,000)
Contribution to national insurance trust fund	-	-	-	-	-	(45,002)	-	(45,002)
Transfers to reserves during the period	-	225,008	-	-	-	(225,008)	-	i -
Total transactions with equity holders	2,700,000	225.008	-	-	-	(770,009)	(698,587)	1,456,411
Balance as at 31.12.2018	9,400,000	3,227,960	7,793,317	528,430	-	4,622,080	18,160,874	43,732,665
	STATE	MENT OF CHAN	CES IN FOUITY	CROUD AUD	ITED			

STATEMENT OF CHANGES IN EQUITY - GROUP - AUDITED

For the year ended 31.12.2017 Stated Capital/Assigned Capital Statutory Reserve Fund Revaluation Reserve Available for Sale Reserve/OCI Reserve Cash Flow Hedging Reserve Retained Earnings Other Reserves	Total Equity
For the year child Shrikkey i and Capital Statutory Reserve Fund Reserve Retained Earnings Other Reserves	1 0
Balance as at 1st January 2017 6,200,000 2,522,467 3,296,565 1,096,758 1,850 3,708,614 16,960,55	33,786,788
Impact of adopting SLFRS 9 - (1,232,437)	(1,232,437)
Restated opening balance as at 1st January 2017 6,200,000 2,522,467 3,296,565 1,096,758 1,850 2,476,177 16,960,555	32,554,351
Total comprehensive income for the period	
Net profit for the year - - - 9,156,396	9,156,396
Other comprehensive income net of tax - 4,508,480 131,662 290,074 (2,072,155)	2,858,060
Total comprehensive income for the period - 4,508,480 131,662 290,074 7,084,241	12,014,456
Transaction with equity holders, recognised directly in equity	
Transfers to unclaimed deposits reserve / Issued Share Capital 500,000 - 392,89	892,891
Contribution to the consolidated fund-Dividend/Levy (5,111,114)	(5,111,114)
Withholding Tax on dividend - (102,483)	(102,483)
Contribution to national insurance trust fund (96,097)	(96,097)
Transfers to reserves during the period - 480,485 (11,728) - (2,571,184) 2,090,69	(11,728)
Total transactions with equity holders 500,000 480,485 (11,728) _ (7,880,878) 2,483,59	(4,428,531)
Balance as at 31.12.2017 6,700,000 3,002,952 7,793,317 1,228,420 291,924 1,679,540 19,444,12	40,140,278
For the year ended 31.12.2018 Stated Capital / Assigned Capital Statutory Reserve Fund Revaluation Reserve OCL Reserve Cash Flow Hedging Reserve Retained Earnings Other Reserves	Total Equity

For the year ended 31.12.2018	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 year	-	-	-	-	-	4,500,187	-	4,500,187
Other comprehensive income net of tax	-	-	-	-	(291,924)	(211,258)	-	(503,181)
Net change in fair value of debt instrument of fair value								
through other comprehensive income	-	-	-	(147,774)	-	-	-	(147,775)
Net change in fair value of equity instrument of fair value								
through other comprehensive income	-	-	-	(690,436)	-	-	-	(690,436)
Total comprehensive income for the period	-	-	-	(838,210)	(291,924)	4,288,929	-	3,158,795
Transaction with equity holders, recognised directly in equity	2 = 20 000							
Transfers to unclaimed deposits reserve/Issued Share Capital	2,700,000	-	-	-	-	-	(698,587)	2,001,413
Contribution to the consolidated fund-Dividend/Levy	-	-	-	-	-	(500,000)	-	(500,000)
Contribution to national insurance trust fund	-	-	-	-	-	(45,002)	-	(45,002)
Transfers to reserves during the period	-	225,008	-	-	-	(225,016)	9	-
Total transactions with equity holders	2,700,000	225,008	-	-	-	(770,018)	(698,578)	1,456,411
Balance as at 31.12.2018	9,400,000	3,227,960	7,793,317	390,210	-	5,198,451	18,745,544	44,755,484



NATIONAL SAVINGS BANK FINANCIAL STATEMENTS

For the year ended 31st December, 2018

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

	i i			
In Rupees Thousand	AC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	3,434,524	-	-	3,434,524
Balances with central banks	-	-	-	-
Placements with banks Derivative financial instruments	17,588,445	-	-	17,588,445
Loans and advances	423,532,145	-	4,740,106	4,740,106 423,532,145
Debt instruments	518,947,969	14,801,463	2,433,915	536,183,346
Equity instruments	-	1,878,919	3,750,515	5,629,434
Total financial assets	963,503,083	16,680,382	10,924,536	991,108,000
In Rupees Thousand		AC	FVPL	Total
•		ne		Iotui
LIABILITIES				
Due to banks		77,119,146	-	77,119,146
Derivative financial instruments		-	1,533	1,533
Financial liabilities - due to depositors		020 E74 411		820 E74 411
- due to depositors - due to debt securities holders		839,574,411	-	839,574,411
- due to other borrowers		14,804,802	-	14,804,802
Debt securities issued		52,389,133	-	52,389,133
Total financial liabilities		983,887,492	1,533	983,889,025
b. Bank - as at 31.12.2017 - Audited				
	AC	FVPL	FVOCI	Total
In Rupees Thousand	AC	FVPL	FVOCI	Total
In Rupees Thousand ASSETS	AC 3,849,530	FVPL	FVOCI	Total 3,849,530
In Rupees Thousand ASSETS Cash and cash equivalents Balances with central banks		FVPL	FVOCI	
In Rupees Thousand ASSETS Cash and cash equivalents Balances with central banks Placements with banks				3,849,530 - 23,437,274
In Rupees Thousand ASSETS Cash and cash equivalents Balances with central banks Placements with banks Derivative financial instruments	3,849,530 - 23,437,274 -	FVPL	FVOCI - - 1,360,064	3,849,530 - 23,437,274 1,360,714
In Rupees Thousand ASSETS Cash and cash equivalents Balances with central banks Placements with banks Derivative financial instruments Loans and advances	3,849,530 - 23,437,274 - 375,703,730	- - - 650 -	- - 1,360,064 -	3,849,530 - 23,437,274 1,360,714 375,703,730
In Rupees Thousand ASSETS Cash and cash equivalents Balances with central banks Placements with banks Derivative financial instruments Loans and advances Debt instruments	3,849,530 - 23,437,274 -			3,849,530 - 23,437,274 1,360,714
In Rupees Thousand ASSETS Cash and cash equivalents Balances with central banks Placements with banks Derivative financial instruments Loans and advances Debt instruments	3,849,530 - 23,437,274 - 375,703,730	- - 650 - 4,114,978	- - 1,360,064 - 1,252,878	3,849,530 - 23,437,274 1,360,714 375,703,730 560,836,474
In Rupees Thousand ASSETS Cash and cash equivalents Balances with central banks Placements with banks Derivative financial instruments Loans and advances Debt instruments Equity instruments	3,849,530 - 23,437,274 - 375,703,730 555,468,618 -	- - - - 4,114,978 2,357,336	- 1,360,064 - 1,252,878 4,440,951	3,849,530 - 23,437,274 1,360,714 375,703,730 560,836,474 6,798,287
In Rupees Thousand ASSETS Cash and cash equivalents Balances with central banks Placements with banks Derivative financial instruments Loans and advances Debt instruments Equity instruments Total financial assets	3,849,530 - 23,437,274 - 375,703,730 555,468,618 -	- - - - - - - - - - - - - - - - - - -	- 1,360,064 - 1,252,878 4,440,951 7,053,893	3,849,530 - 23,437,274 1,360,714 375,703,730 560,836,474 6,798,287 971,986,009
In Rupees Thousand ASSETS Cash and cash equivalents Balances with central banks Placements with banks Derivative financial instruments Loans and advances Debt instruments Equity instruments Equity instruments In Rupees Thousand LIABILITIES	3,849,530 - 23,437,274 - 375,703,730 555,468,618 -	- 650 - 4,114,978 2,357,336 6,472,964 AC	- 1,360,064 - 1,252,878 4,440,951 7,053,893	3,849,530 - 23,437,274 1,360,714 375,703,730 560,836,474 6,798,287 971,986,009 Total
In Rupees Thousand ASSETS Cash and cash equivalents Balances with central banks Placements with banks Derivative financial instruments Loans and advances Debt instruments Equity instruments Total financial assets In Rupees Thousand LIABILITIES Due to banks	3,849,530 - 23,437,274 - 375,703,730 555,468,618 -	- - - - - - - - - - - - - - - - - - -	- 1,360,064 1,252,878 4,440,951 7,053,893 FVPL	3,849,530 - 23,437,274 1,360,714 375,703,730 560,836,474 6,798,287 971,986,009 Total 48,596,591
In Rupees Thousand ASSETS Cash and cash equivalents Balances with central banks Placements with banks Derivative financial instruments Loans and advances Debt instruments Equity instruments Equity instruments In Rupees Thousand LIABILITIES	3,849,530 - 23,437,274 - 375,703,730 555,468,618 -	- 650 - 4,114,978 2,357,336 6,472,964 AC	- 1,360,064 - 1,252,878 4,440,951 7,053,893	3,849,530 - 23,437,274 1,360,714 375,703,730 560,836,474 6,798,287 971,986,009 Total
In Rupees Thousand ASSETS Cash and cash equivalents Balances with central banks Placements with banks Derivative financial instruments Loans and advances Debt instruments Equity instruments Total financial assets In Rupees Thousand LIABILITIES Due to banks Derivative financial instruments	3,849,530 - 23,437,274 - 375,703,730 555,468,618 -	- 650 - 4,114,978 2,357,336 6,472,964 AC	- 1,360,064 1,252,878 4,440,951 7,053,893 FVPL	3,849,530 - 23,437,274 1,360,714 375,703,730 560,836,474 6,798,287 971,986,009 Total 48,596,591
In Rupees Thousand ASSETS Cash and cash equivalents Balances with central banks Placements with banks Derivative financial instruments Loans and advances Debt instruments Equity instruments Total financial assets In Rupees Thousand LIABILITIES Due to banks Derivative financial instruments Financial liabilities - due to depositors - due to debt securities holders	3,849,530 - 23,437,274 - 375,703,730 555,468,618 -	4,114,978 2,357,336 6,472,964 AC 48,596,591 - 737,212,640	- 1,360,064 1,252,878 4,440,951 7,053,893 FVPL	3,849,530 - 23,437,274 1,360,714 375,703,730 560,836,474 6,798,287 971,986,009 707,98,287 971,986,009 707,98,287 971,986,009 707,98,29 707,912,640
In Rupees Thousand ASSETS Cash and cash equivalents Balances with central banks Placements with banks Derivative financial instruments Loans and advances Debt instruments Equity instruments Total financial assets In Rupees Thousand LIABILITIES Due to banks Derivative financial instruments Financial liabilities - due to depositors - due to other borrowers	3,849,530 - 23,437,274 - 375,703,730 555,468,618 -		- 1,360,064 1,252,878 4,440,951 7,053,893 FVPL	3,849,530 - 23,437,274 1,360,714 375,703,730 560,836,474 6,798,287 971,986,009 71,986,009 70,12,836,009 - 12,837,008
In Rupees Thousand ASSETS Cash and cash equivalents Balances with central banks Placements with banks Derivative financial instruments Loans and advances Debt instruments Equity instruments Total financial assets In Rupees Thousand LIABILITIES Due to banks Derivative financial instruments Financial liabilities - due to depositors - due to debt securities holders	3,849,530 - 23,437,274 - 375,703,730 555,468,618 -	4,114,978 2,357,336 6,472,964 AC 48,596,591 - 737,212,640	- 1,360,064 1,252,878 4,440,951 7,053,893 FVPL	3,849,530 - 23,437,274 1,360,714 375,703,730 560,836,474 6,798,287 971,986,009 707,98,6,009 707,98,6,009 707,98,6,009 707,98,6,009

AC - Financial assets / liabilities measured at amortised cost
 FVPL - Financial assets / liabilities measured at fair value through profit or loss
 FVOCI - Financial assets / liabilities measured at fair value through other comprehensive income

ANALYSIS OF LOANS & ADVANCES AND IMPAIRMENT - AUDITED

	Ba	Bank		oup
In Rupees Thousand	As at 31.12.2018	As at 31.12.2017	As at 31.12.2018	As at 31.12.2017
Product-wise Gross loans and advances				
By product - Domestic currency	267 000 022		267 000 022	212 756 526
Term loans Pawning	367,008,832	313,756,536	367,008,832	313,756,536
Other loans	30,530,726	23,874,051	30,530,726	23,874,051
Loan to Government	2,075,000	2,075,000	2,075,000	2,075,000
Securities purchased under resale agreements	2,357,240	5,592,973	2,382,213	4,305,869
Staff loans	6,103,442	5,057,766	6,103,442	5,057,766
Sub Total	408,075,240	350,356,326	408,100,213	349,069,222
By product - Foreign currency				
Term loans	19,303,215	28,081,751	19,303,215	28,081,751
Gross loans and advances	427,378,455	378,438,504	427,403,428	377,151,400
Stage-wise impairment on loans & advances,				
Gross Loans & advances	427,378,455	378,438,504	427,403,428	377,151,400
Less: Accumulated impairment under stage 1	(1,610,731)	(1,127,166)	(1,610,731)	(1,127,166)
Accumulated impairment under stage 2	(272,348)	(128,432)	(272,348)	(128,432)
Accumulated impairment under stage 3	(1,963,230)	(1,479,175)	(1,963,230)	(1,479,175)
Net value of loans & advances	423,532,145	375,703,730	423,557,119	374,416,626
Movement of Impairment during the period				
Under Stage 1				
Balance as at 1st January	1,127,166	1,025,110	1,127,166	1,025,110
Charge/(Write back) to Income Statement	483,565	102,056	483,565	102,056
Balance as at 31 st December	1,610,731	1,127,166	1,610,731	1,127,166
Under Stage 2				
Balance as at 1st January	128,432	111,702	128,432	111,702
		16,730	143,916	16,730
Charge/(Write back) to Income Statement	143,916			
	143,916 272,348	128,432	272,348	128,432
Charge/(Write back) to Income Statement Balance as at 31 st December Under Stage 3	· · · ·	128,432		
Charge/(Write back) to Income Statement Balance as at 31 st December Under Stage 3 Balance as at 1 st January	272,348 1,479,175	128,432 968,868	1,479,175	968,868
Charge/(Write back) to Income Statement Balance as at 31 st December Under Stage 3 Balance as at 1 st January Charge/(Write back) to Income Statement	272,348 1,479,175 503,642	128,432 968,868 636,971	1,479,175 503,642	968,868 636,971
Charge/(Write back) to Income Statement Balance as at 31 st December Under Stage 3 Balance as at 1 st January	272,348 1,479,175	128,432 968,868	1,479,175	968,868
Charge/(Write back) to Income Statement Balance as at 31 st December Under Stage 3 Balance as at 1 st January Charge/(Write back) to Income Statement	272,348 1,479,175 503,642	128,432 968,868 636,971	1,479,175 503,642	968,868 636,971

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

c. Group - as at 31.12.2018 - Audited				
In Rupees Thousand	AC	FVPL	FVOCI	Total
ASSETS Cash and cash equivalents Balances with central banks Placements with banks Derivative financial instruments Loans and advances Debt instruments Equity instruments	3,436,929 177 17,588,445 423,557,119 522,973,159	- - - 24,988,614 1,878,919	4,740,106 4,037,045 3,751,515	3,436,929 177 17,588,445 4,740,106 423,557,119 551,998,818 5,630,434
Total financial assets	967,555,829	26,867,533	12,528,666	1,006,952,028
In Rupees Thousand		AC	FVPL	Total
LIABILITIES Due to banks Derivative financial instruments Financial liabilities - due to depositors - due to debt securities holders		83,615,264 - 839,574,411	1,533	83,615,264 1,533 839,574,411
- due to other borrowers Debt securities issued		21,750,178 52,389,133	-	21,750,178 52,389,133
Total financial liabilities		997,328,986	1,533	997,330,518
d. Group - as at 31.12.2017 - Audited				
In Rupees Thousand	AC	FVPL	FVOCI	TT + 1
in Rupces Thousand	AC	FVPL	FVUCI	Total
ASSETS Cash and cash equivalents Balances with central banks Placements with banks Derivative financial instruments Loans and advances Debt instruments Equity instruments	3,853,989 94 23,437,274 374,416,626 559,319,752	7,032,614 2,357,336	1,360,714 3,071,981 4,441,951	3,853,989 94 23,437,274 1,360,714 374,416,626 569,424,346 6,799,287
ASSETS Cash and cash equivalents Balances with central banks Placements with banks Derivative financial instruments Loans and advances Debt instruments	3,853,989 94 23,437,274 374,416,626	- - - - 7,032,614	1,360,714 3,071,981	3,853,989 94 23,437,274 1,360,714 374,416,626 569,424,346
ASSETS Cash and cash equivalents Balances with central banks Placements with banks Derivative financial instruments Loans and advances Debt instruments Equity instruments Total financial assets In Rupees Thousand	3,853,989 94 23,437,274 374,416,626 559,319,752	- - - 7,032,614 2,357,336	1,360,714 3,071,981 4,441,951	3,853,989 94 23,437,274 1,360,714 374,416,626 569,424,346 6,799,287
ASSETS Cash and cash equivalents Balances with central banks Placements with banks Derivative financial instruments Loans and advances Debt instruments Equity instruments Total financial assets In Rupees Thousand LIABILITIES Due to banks Derivative financial instruments	3,853,989 94 23,437,274 374,416,626 559,319,752	7,032,614 2,357,336 9,389,950	1,360,714 3,071,981 4,441,951 8,874,646	3,853,989 94 23,437,274 1,360,714 374,416,626 569,424,346 6,799,287 979,292,330
ASSETS Cash and cash equivalents Balances with central banks Placements with banks Derivative financial instruments Loans and advances Debt instruments Equity instruments Total financial assets In Rupees Thousand LIABILITIES Due to banks Derivative financial instruments Financial liabilities - due to depositors - due to debt securities holders	3,853,989 94 23,437,274 374,416,626 559,319,752	- 7,032,614 2,357,336 9,389,950 AC 49,352,574 - 737,212,640	1,360,714 3,071,981 4,441,951 8,874,646 FVPL	3,853,989 94 23,437,274 1,360,714 374,416,626 569,424,346 6,799,287 979,292,330 Total 49,352,574 956,937 737,212,640
ASSETS Cash and cash equivalents Balances with central banks Placements with banks Derivative financial instruments Loans and advances Debt instruments Equity instruments Equity instruments Total financial assets In Rupees Thousand LIABILITIES Due to banks Derivative financial instruments Financial liabilities - due to depositors	3,853,989 94 23,437,274 374,416,626 559,319,752	7,032,614 2,357,336 9,389,950 AC 49,352,574	1,360,714 3,071,981 4,441,951 8,874,646 FVPL	3,853,989 94 23,437,274 1,360,714 374,416,626 569,424,346 6,799,287 979,292,330 Total 49,352,574 956,937
ASSETS Cash and cash equivalents Balances with central banks Placements with banks Derivative financial instruments Loans and advances Debt instruments Equity instruments Total financial assets In Rupees Thousand LIABILITIES Due to banks Derivative financial instruments Financial liabilities - due to depositors - due to other borrowers	3,853,989 94 23,437,274 374,416,626 559,319,752	- 7,032,614 2,357,336 9,389,950 AC 49,352,574 - 737,212,640 17,545,212	1,360,714 3,071,981 4,441,951 8,874,646 FVPL	3,853,989 94 23,437,274 1,360,714 374,416,626 569,424,346 6,799,287 979,292,330 Total 49,352,574 956,937 737,212,640 17,545,212
ASSETS Cash and cash equivalents Balances with central banks Placements with banks Derivative financial instruments Loans and advances Debt instruments Equity instruments Total financial assets In Rupees Thousand LIABILITIES Due to banks Derivative financial instruments Financial liabilities - due to depositors - due to debt securities holders - due to other borrowers Debt securities issued	3,853,989 94 23,437,274 374,416,626 559,319,752 961,027,735	7,032,614 2,357,336 9,389,950 AC 49,352,574 737,212,640 17,545,212 162,709,027 966,819,453 - AUDITE	1,360,714 3,071,981 4,441,951 8,874,646 FVPL 956,937	3,853,989 94 23,437,274 1,360,714 374,416,626 569,424,346 6,799,287 979,292,330 Total 49,352,574 956,937 737,212,640 17,545,212 162,709,027 967,776,390

		nk		oup
For the year ended 31st December	2018	2017	2018	2017
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cash flows from operating activities	100 750 712	00 122 606	100 724 424	00.070.104
Interest receipts	108,759,712	98,133,606	109,734,424	98,979,184
Interest payments Net commission receipts	(85,287,503) 864,066	(72,290,143) 673,694	(86,068,354) 863,797	(72,832,914) 672,040
Trading income	546,667	1,044,274	563,393	1,070,689
Payment to employees	(8,944,003)	(6,976,586)	(8,983,846)	(7,008,894)
VAT, NBT & DRL on financial services	(3,372,310)	(3,291,976)	(3,379,748)	(3,389,080)
Receipts from other operating activities	283,187	691,445	281,314	690,422
Payment on other operating activities	(3,731,927)	(3,411,069)	(3,697,730)	(3,356,470)
Operating profit before change in operating assets & liabilities	9,117,889	14,573,245	9,313,250	14,824,977
(Increase) / decrease in operating assets				
Balances with Central Bank of Sri Lanka	-	-	-	-
Placements with banks	6,015,111	(4,455,574)	6,015,111	(4,455,574)
Derivative assets	(3,671,316)	1,657,805	(3,671,316)	1,657,805
Financial assets at FVTPL	(10,995,919)	14,276,771	(18,404,137)	18,659,670
Financial assets at amortised cost - loans & advances Purchase of Financial Investment - debt & other instrument	(48,291,029) 37,230,245	(63,124,831) (34,546,469)	(49,603,184) 37,060,618	(62,636,549) (36,397,298)
Proceeds from the sale and maturity of financial investments	37,230,243	(34,340,409)		(30,397,290)
Other assets	(4,947,187)	(4,760,511)	(4,989,400)	(4,946,620)
	(24,660,094)	(90,952,809)	(33,592,308)	(88,118,565)
Increase/(decrease) in operating liabilities	(24,000,074)	(50,552,005)	(33,372,300)	(00,110,505)
Due to bank	28,385,587	28,770,730	34,111,452	26,783,430
Derivative financial instrument	(956,937)	956,937	(956,937)	956,937
Financial liabilities at amortised cost-due to depositors	101,633,538	75,188,272	101,633,538	75,188,272
Financial liabilities at amortised cost-due to debt securities holders	-	-	-	-
Financial liabilities at amortised cost-due to other borrowers	2,699,945	(21,197,538)	4,894,246	(22,078,851)
Debt securities issued	(107,552,900)	3,480,000	(107,552,900)	3,480,000
Other liabilities	(494,589)	(1,796,670)	(533,749)	(1,760,565)
Net cash generated from operating activities before income tax	23,714,644	85,401,731	31,595,650	82,569,223
Income tax paid	(3,365,813)	(4,328,136)	(3,506,148)	(4,383,328)
Net cash (used in)/from operating activities	4,806,626	4,694,031	3,810,444	4,892,306
Cash flows from investing activities		(1.040.000)		(1.052.2(0))
Purchase of property, plant and equipment	(1,742,224)	(1,049,920)	(1,742,579)	(1,052,269)
Proceeds from the sale of property, plant and equipment Net (increase)/decrease in finance instruments at fair value	7,474	7,189	7,474	7,189
through other comprehensive income	(1,309,089)	1,232,344	(1,114,522)	1,289,898
Proceeds from the sale and maturity of financial investments	(1,507,007)		(1,114,522)	1,207,070
Net cash flow from acquisition of investment in subsidiaries				
and associates	(800,000)	-	-	-
Dividends received from investment in subsidiaries and				
associates	-	172,350	-	-
Net cash (used in)/from investing activities	(3,843,839)	361,963	(2,849,627)	244,817
Cash flows from financing activities				
Net proceeds from the issue of subordinated debt	-	-	-	-
Repayment of subordinated debt	(780,000)	-	(780,000)	-
Interest paid on subordinated debt Dividend paid to shareholders of the parent company	(780,000)	(780,000)	(780,000)	(780,000)
Withholding tax on dividend paid				(84,983)
Contribution to consolidated fund-dividend/levy	(500,000)	(5,111,114)	(500,000)	(5,111,114)
Net cash (used in)/from financial activities	(1,280,000)	(5,891,114)	(1,280,000)	(5,976,097)
Net increase/(decrease) in cash & cash equivalents	(317,213)	(835,120)	(319,183)	(838,974)
Cash and cash equivalents at the beginning of the year Exchange difference in respect of cash & cash equivalent	3,669,188	4,504,308	3,673,741	4,512,715

ANALYSIS OF DEPOSITS - AUDITED

	Ba	Group		
In Rupees Thousand	As at 31.12.2018	As at 31.12.2017	As at 31.12.2018	As at 31.12.2017
By product - Domestic currency				
Savings deposits	194,946,317	185,201,449	194,946,317	185,201,449
Fixed deposits	633,632,405	542,647,417	633,632,405	542,647,417
Sub Total	828,578,722	727,848,866	828,578,722	727,848,866
By product - Foreign currency				
Savings deposits	3,375,609	2,990,433	3,375,609	2,990,433
Fixed deposits	7,620,080	6,373,341	7,620,080	6,373,341
Sub total	10,995,689	9,363,774	10,995,689	9,363,774
Total	839,574,411	737,212,640	839,574,411	737,212,640

SELECTED PERFORMANCE INDICATORS (AS PER REGULATORY REPORTING)

	Ba	nk	Gro	oup
	As at	As at	As at	As at
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Base III				
Regulatory Capital (LKR'000)				
Common Equity Tier 1	30,434,481	25,564,909	32,750,842	27,370,741
Tier 1 Capital	30,434,481	25,564,909	32,750,842	27,370,741
Total Capital	36,859,411	32,808,403	39,102,064	34,605,855
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital Ratio	13.325	11.931	14.140	12.651
(Minimum Requirement, 2018-7.375 % 2017-6.25%)				
Tier 1 Capital Ratio (Minimum Requirement, 2018-8.875 %, 2017-7.75%)	13.325	11.931	14.140	12.651
Total Capital Ratio (Minimum Requirement, 2018-12.875 %, 2017-11.75%)	16.138	15.311	16.882	15.996
Assets Quality (Quality of Loan Portfolio)				
Gross Non-Performing Advances Ratio, % (Net of Interest in Suspense)	1.44	1.34	NR	NR
Net Non-Performing Advances, % (Net of Interest in Suspense and Provisions)	1.22	1.22	NR	NR
Profitability				
Interest Margin, %	2.43	2.61	2.44	2.62
Return on Assets (before Tax), %	0.78	1.47	0.77	1.42
Return on Equity, %	10.87	27.24	10.60	24.77
Regulatory Liquidity				
Statutory Liquid Assets, Rs. '000 (average)	424,490,106	509,079,407	NR	NR
Statutory Liquid Assets Ratio, % (Minimum Requirement, 20%)				
Domestic Banking Unit (%)	54.88	73.44	NR	NR
Off-Shore Banking Unit (%)	NR	NR	NR	NR
Liquidity Coverage Ratio (%) - Rupee	245.06	377.57	NR	NR
(Minimum Requirement, 2018 - 90%, 2017-80%)				
Liquidity Coverage Ratio (%) - All Currency	321.29	376.18	NR	NR
(Minimum Requirement, 2018 - 90%, 2017-80%)				
Note: * NR - Not Relevant				

CERTIFICATION:

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 31st December 2018 and the profits for the year then ended.

Sgd. Kithsiri Wijeyaratne

Deputy General Manager (Finance & Planning)

We, the undersigned, being the Chairman and the General Manager / Chief Executive Officer of National Savings Bank certify jointly that:-(a) the above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka; (b) the information contained in these statements has been extracted from the audited Financial Statements of the Bank and its subsidiary company.

Sgd.	
Jayaraja Chandrasekere	
Chairman	
14th March 2019, Colombo.	

Sgd. Dammika Perera General Manager / CEO

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