

NATIONAL SAVINGS BANK

INTERIM FINANCIAL STATEMENTS

For the nine months ended 30th September 2020



INCOME STATEMENT						
	Ba		Gro			
For the nine months ended 30th September	2020	2019	2020	2019		
*	Rs. '000	Rs. '000	Rs. '000	Rs. '000		
Income	93,726,432	90,097,127	95,666,623	91,576,577		
Interest income	90,655,259	87,957,327	92,235,608	89,006,370		
Interest expenses	(67,265,906)	(66,728,897)	(67,906,387)	(67,471,118		
Net interest income	23,389,353	21,228,430	24,329,221	21,535,252		
Fee and commission income	1,504,279	834,430	1,514,581	840,707		
Fee and commission expenses	(105,493)	(91,605)	(110,451)	(94,078		
Net fee and commission income	1,398,786	742,825	1,404,130	746,629		
Net gains/(losses) from trading	867,421	965,341	1,377,410	1,390,861		
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	147,715	22,021	147,715	22,02		
Net other operating income	551,756	318,008	391,307	316,618		
Total operating income	26,355,032	23,276,624	27,649,784	24,011,380		
Impairment charges	(4,600,211)	(777,427)	(4,630,364)	(777,524		
Net operating income	21,754,822	22,499,197	23,019,421	23,233,856		
Personnel expenses	(7,831,540)	(7,976,467)	(7,995,923)	(7,999,27)		
Depreciation and amortization expenses	(871,446)	(732,870)	(883,653)	(733,698		
Other expenses	(3,286,062)	(3,231,417)	(3,321,916)	(3,199,482		
Operating profit/(loss) before VAT, NBT & DRL on financial services	9,765,773	10,558,443	10,817,929	11,301,405		
Value Added Tax (VAT) on financial services	(2,260,164)	(2,352,346)	(2,425,924)	(2,450,608		
Nation Building Tax (NBT) on financial services	-	(313,646)	-	(326,748		
Debt Repayment Levy (DRL) on financial services	-	(1,284,381)	-	(1,284,38)		
Operating profit/(loss) after VAT, NBT and DRL on financial services	7,505,610	6,608,071	8,392,005	7,239,669		
Share of profits of associates and joint ventures	-	-	-			
Profit/(loss) before tax	7,505,610	6,608,071	8,392,005	7,239,669		
Income tax expenses	(3,140,316)	(2,986,825)	(3,434,009)	(3,194,777		
Profit/(loss) for the period	4,365,294	3,621,246	4,957,996	4,044,892		
Profit attributable to:						
Equity holders of the Bank	4,365,294	3,621,246	4,957,996	4,044,892		
Non-controlling interests	-		-			
Earnings per share on profit						
Basic earnings per ordinary share (Rs.)	4.64	3.85	5.27	4.30		
Diluted earnings per ordinary share (Rs.)	4.64	3.85	5.27	4.30		

	Ba	nk	Gro	oup
For the nine months ended 30th September	2020 Rs. '000	2019 Rs. '000	2020 Rs. '000	2019 Rs. '000
Profit / (Loss) for the period	4,365,294	3,621,246	4,957,996	4,044,892
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	-	-	-	-
Share of profits of associates and joint ventures	_	_	_	_
Debt instruments at fair value through other comprehensive Income	281,738	127,928	339,033	206,738
Net gains/(losses) on investment in debt instruments transferred to income	(147,715)	(13,718)	(147,715)	(13,718)
statement	(147,715)	(13,718)	(147,715)	(13,718)
Less: Tax expense relating to items that will be reclassified to income statement		-		-
Total other comprehensive income to be reclassified to				
Income Statement	134,023	114,210	191,318	193,020
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	(733,536)	(681,086)	(722,665)	(681,086)
Change in the fair value attributable to change in the Bank's own credit risk on financial liabilities designated at fair value through profit or loss	-	-	-	-
Re-measurement of post-employment benefit obligations	-	-	(1,169)	(107)
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	-	-		-
Total other comprehensive income not to be reclassified to				
Income Statement	(733,536)	(681,086)	(723,834)	(681,193)
Total other comprehensive income (OCI) for the period,	(#00 #40)	(======================================	(*********	(400 4 20)
net of taxes	(599,513)	(566,876)	(532,516)	(488,173)
Total comprehensive income for the period	3,765,781	3,054,370	4,425,480	3,556,719
Attributable to:	0 505 501	0.054.050	4 497 400	0.550.510
Equity holders of the Bank	3,765,781	3,054,370	4,425,480	3,556,719
Non-controlling interests	-	-	-	-

STATEMENT OF COMPREHENSIVE INCOME

1. There are no changes to the accounting policies and methods of computation since the publication of annual accounts for

Balance as at 30.09.2020

- 2. The comparable information is re-classified as wherever necessary to compare with the current year's classification in
- order to provide a better presentation 3 Impact due to the COVID - 19
- The Outbreak of Covid -19 has caused disruption to business and economic activities and uncertainty to global and local economy. The bank has strictly adhered to the guideline and direction issued by both government and Central Bank of Sri Lanka (CBSL) when conducting its business operation at the outbreak of Covid 19 in Sri Lanka. Accordingly, the Bank has provided relief for the affected business and individuals inline with the direction issued by CBSL.

Debt Moratorium and Deferment Impact The bank has given its debt moratorium and payment deferment to all of its customers other than who refused to have

debt moratorium or payment deferments. The moratorium has been given (nearly 90% of the retail loan portfolio) at the concessionary rate of seven percent during the moratorium period and the payments are deferred until the end of the loan period. The moratorium period has been varied from two months to six months. Accordingly Day One Loss has been recognised in the financial statements and accounted.

Number of Employees

Number of Branches

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

All the Corporate clients were assed individually based on their historical payment patterns, Covid 19 economic impact to their sector and geographical area, expected recovery of the sector, financial strength of the entity, government and CBSL support, and other holistic factors. Based on the assessment some borrowers were moved from stage one to stage two and some borrowers were moved from stage two to stage three (due to expected cashflow impairment) despite of their past due status.

STATEMENT OF FINANCIAL POSITION Group As at As at 31.12.2019 30.09.2020 30.09.202031.12.2019 Rs. '000 Rs. '000 Rs. '000 Rs. '000 Assets Cash and cash equivalents 7,133,762 5,376,715 7,229,997 5,564,824 Balances with central banks 12,364,469 19,510,660 15,745,184 Placements with banks 15,394,477 Derivative financial instruments 19,437 11,622 11,622 Financial assets recognized through profit or loss measured at fair value 11,775,061 11,459,882 22,130,273 27,804,721 designated at fair value Financial assets at amortised cost 454,394,957 456,636,285 468,724,168 712,212,483 615,634,321 716,795,362 Debt and other instruments 619,567,786 Financial assets measured at fair value through other comprehensive income 3,478,811 4,626,582 8,677,751 Investments in subsidiaries 4,811,000 Investments in associates and joint ventures Property, plant and equipment 14,613,111 14,163,454 14,906,536 14,457,494 Right of use assets 949,678 1,073,507 998,025 1,130,868 Investment properties 333,315 Goodwill and intangible assets Deferred tax assets Other assets 35,197,923 41,912,900 35,370,115 1,310,003,283 1,175,574,745 Total assets 1,285,990,989 1,157,966,664 Liabilities Due to banks 17,556,998 35,045,251 21,444,715 36,139,122 Derivative financial instruments Financial liabilities recognized through profit or loss Financial liabilities at amortised cost due to depositors 1,174,941,292 1,016,574,286 1,175,504,732 1,015,635,421 due to other borrowers 32,808,023 Lease liability 997,309 1,066,882 Debt securities issued 26,327,813 26,691,711 26,955,697 26,462,339 Retirement benefit obligations 5,808,707 5,841,540 6,536,687 6,508,707 Current tax liabilities 216,770 759,135 565,704 Deferred tax liabilities 581,756 547,250 582,520 548,014 Other provisions Other liabilities 7,430,415 7,585,854 5,951,464 9,051,022 Due to subsidiarie 1,127,740,523 Total liabilities 1,238,935,963 1,113,589,340 1,258,831,658 Stated capital/Assigned capital 9,400,000 9,400,000 9,400,000 Statutory reserve fund 3,781,137 3.562.872 3,798,668 3,571,214 OCI reserve (281,507)318,006 (247,846)283,501 Retained earnings 7,567,818 4,464,442 10,774,970 7,233,982 Other reserves 26,587,580 26,632,004 27,445,834 27,345,524 Total shareholders' equity 47,055,028 44,377,324 51,171,625 47,834,222 Non-controlling interests Total equity 47.055.028 44.377.324 51,171,625 47.834.222 Total equity and liabilities 1,285,990,989 1,157,966,664 1,310,003,283 1,175,574,745 Contingent liabilities and commitments 10,355,197 10,691,602 Memorandum Information

> The Bank has calculated Probability of Default (PD) as at 30 September 2020 and adju-Adjustment (EFA) to reflect the adverse impact to the economy when computing ECL. The Bank decided to increase the weightages assigned for worst case scenario by 10% while reducing the weightages assigned for base case scenario and best-case scenario by 5% each respectively.

4.715 256

4.647

258

The portfolio level impairment assessment was carried out for the individual borrowers. However, in some scenario's management judgment was used to assess the reasonableness of the customer request of prolonged debt moratorium or deferment. The borrowers were allocated between stages based on their sector and management judgement. Based on the assessment some borrowers were moved from stage one to stage two and some borrowers were moved from stage two to stage three due to expected cashflow impairment.

19,652,517

51,171,625

STATEMENT OF CHANGES IN EQUITY - BANK

For the nine months ended 30.09.2019	Stated Capital/ Assigned	Statutory Reserve Fund	Revaluation Reserve	OCI Reserve	Cash Flow Hedging	Retained Earnings	Other Reserves	Total Equity
	Capital	· ·			Reserve	ŭ		- · ·
Balance as at 1st January 2019	9,400,000	3,227,960	7,793,317	528,430	- '	3,984,674	18,160,874	43,095,259
Impact of adopting SLFRS-16				700.400	+'	(115,604)	10 120 074	(115,604)
Re-stated balance under SLFRS-16	9,400,000	3,227,960	7,793,317	528,430	- '	3,869,070	18,160,874	42,979,655
Total comprehensive income for the period Net profit for the period	1	1	1	1	1 '	3,621,246	1	3,621,246
Other comprehensive income net of tax	1 1	1 1	1 '	1 '	1 '	3,021,240	1 1	3,021,240
Net change in fair value of debt instrument of Fair Value	1	1	1	1	Ţ '	1	1	-
through Other Comprehensive Income	1	1	1 - 1	114,210	1 '	1	-	114,210
Net change in fair value of equity instrument of Fair Value	- 1	1	1 - 1	1	1	1	1	
through Other Comprehensive Income	1	<u> </u>		(681,086)			-	(681,086)
Total comprehensive income for the period			· '	(566,876)		3,621,246	-	3,054,370
Transactions with equity holders, recognised directly in equity							1	
Transfers to unclaimed deposits reserve	- 1	- 1	1 - 1	- '	- '	- 1	(5,585)	(5,585)
Contribution to the consolidated fund-Dividend/Levy	- 1	- 1	- '	1 - '	- '	-	-	(22.22)
Contribution to national insurance trust fund	- 1	191.009	- 1	1 '	- '	(36,212)	1 -	(36,212)
Transfers during the period		181,062		- '	-	(181,062)	(5 505)	(41.706)
Total transactions with equity holders	+ '	181,062		1 (20.112)	+	(217,274)	(5,585)	(41,796)
Balance as at 30.09.2019	9,400,000	3,409,023	7,793,317	(38,446)	'	7,273,042	18,155,289	45,992,228
For the nine months ended 30.09.2020	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 2020	9,400,000	3,562,872	7,793,317	318,006	-	4,464,442	18,838,685	44,377,324
Total comprehensive income for the period	1	1	1	1	1	1	1	
Net profit for the period	- 1	- 1	1 - 1	1 - '	- '	4,365,294	-	4,365,294
Other comprehensive income net of tax	1	1	1	1	1	1	1	
Net change in fair value of debt instrument of Fair Value	1	1	1	124.022	1	1	1	124.022
through Other Comprehensive Income Net change in fair value of equity instrument of Fair Value	- 1	1	1	134,023	1 '	1	1 1	134,023
through Other Comprehensive Income	1	1	1	(733,536)	1	1	1	(733,536)
Total comprehensive income for the period	_	_	-	(599,513)		4,365,294	-	3,765,781
Transactions with equity holders, recognised directly in equity	 			` · · ·		<u> </u>		
Transfers to unclaimed deposits reserve	1	1	1	1 '	1 '	1	(44,422)	(44,422)
Contribution to the consolidated fund-Dividend/Levy	1	1	1 - '	1 '	1 '	(1,000,000)	1 -	(1,000,000)
Contribution to national insurance trust fund	- 1	1	1 - 1	1 - '	- '	(43,653)	-	(43,653)
Transfers during the Period		218,265	'	<u> </u>		(218,265)	-	
Total transactions with equity holders		218,265		- '	- 1	(1,261,918)	(44,422)	(1,088,075)
Balance as at 30.09.2020	9,400,000	3,781,137	7,793,317	(281,507)	-	7,567,818	18,794,263	47,055,028
STATEMENT OF CHANGES IN EQUITY - GROUP								

Cash Flow Hedging Stated Capital/ Assigned For the nine months ended 30.09.2019 Revaluation Reserve OCI Reserve **Retained Earnings** Other Reserves **Total Equity** Statutory Reserve Fund Capital Balance as at 1st January 2019 18,745,544 3,227,960 7,793,317 390,210 4,561,045 44,118,079 9,400,000 Impact of adopting SLFRS - 16 3,227,960 18,745,544 9.400.000 7,793,317 390,210 Re-stated opening balance under SLFRS - 16 4,445,440 44,002,475 Total comprehensive income for the period 4,044,892 4,044,892 Other comprehensive income net of tax (107)(107)Net change in fair value of debt instrument of Fair Value 193,020 193,020 through Other Comprehensive Income Net change in fair value of equity instrument of Fair Value (681,086)(681,086)through Other Comprehensive Income (488,066)4,044,785 3,556,718 Total comprehensive income for the period

Transactions with equity holders, recognised directly in equity (5,585)Transfers to unclaimed deposits reserve (5,585)Contribution to the consolidated fund-Dividend/Levy Contribution to national insurance trust fund (36,212)(36,212)Transfers during the Period 181,062 (286,973)105,911 181,062 (323,186)100,326 (41,797)

Total transactions with equity holders Balance as at 30.09.2019 9,400,000 3,409,022 7,793,317 (97,856)8,167,040 18,845,870 47,517,398 Stated Capital/ Assigned Cash Flow Hedging For the nine months ended 30.09.2020 Statutory Reserve Fund **Revaluation Reserve OCI** Reserve **Retained Earnings** Other Reserves **Total Equity** Balance as at 1st January 2020 3,571,214 7,793,317 283,501 7,233,981 19,552,207 47,834,222 Total comprehensive income for the period Net profit for the period 4,957,996 4,957,996 Other comprehensive income net of tax (1,169)Net change in fair value of debt instrument of Fair Value through Other Comprehensive Income 191,318 191,318

Net change in fair value of equity instrument of Fair Value (722,665)through Other Comprehensive Incomprehensive In (722,665)4,956,827 Total comprehensive income for the period (531,346)4,425,480 Transactions with equity holders, recognised directly in equity Transfers to unclaimed deposits reserve (44,422)(44,422)Contribution to the consolidated fund-Dividend/Levy (1,000,000)(1,000,000)Contribution to national insurance trust fund (43.653)(43,653)(372,186)144,732 Transfers during the Period 227,454 (1,088,074) Total transactions with equity holders 227,454 (1,415,838)100,310

> 7,793,317 The NSB Act No. 30 of 1971 certifies government guarantee for your savings at NSB and interest due thereon.

(247,846)

9,400,000

3,798,668

(wc: 2360)



NATIONAL SAVINGS BANK

CIAL STATEMENTS

ided 30th September 2020

Total financial liabilities

d. Group - as at 31.12.2019 - Audited

(SL)AAA

1,241,551,333

	For t	ne nii	ie mo	ntns
ANALYSIS OF FINANCIAL INSTR	UMENTS (ON MEASU	JREMENT	BASIS
a. Bank - as at 30.09.2020				
In Rupees Thousand	AC	FVPL	FVOCI	Total
ASSETS		ı		I
Cash and cash equivalents	7,133,762	-	-	7,133,762
Balances with central Bank Placements with banks	15,394,477	-	-	15,394,477
Derivative financial instruments	-	19,437	-	19,437
Loans and advances Debt instruments	468,724,168 712,212,483	9,598,622	5,892,171	468,724,168 727,703,276
Equity instruments	-	2,176,439	2,785,580	4,962,019
Total financial assets	1,203,464,890	11,794,498	8,677,751	1,223,937,140
		-		r
In Rupees Thousand		AC	FVPL	Total
LIABILITIES				
Due to banks Derivative financial instruments		17,556,998	-	17,556,998
Financial liabilities		-	-	-
 due to depositors due to debt securities holders 		1,174,941,292	-	1,174,941,292
due to dept securities noticersdue to other borrowers		4,915,963	-	4,915,963
Debt securities issued		26,327,813	-	26,327,813
Total financial liabilities		1,223,742,066	-	1,223,742,066
In Rupees Thousand ASSETS	AC	FVPL	FVOCI	Total
Cash and cash equivalents	5,376,715	_	_	5,376,715
Balances with central Banks	-	-	-	-
Placements with banks Derivative financial instruments	12,364,469	_		
Borrative maneta metraments	_	11 622	-	12,364,469 11,622
Loans and advances	454,394,957	11,622	- - -	12,364,469 11,622 454,394,957
Debt instruments	454,394,957 615,634,321	9,677,546	- - - 3 478 811	11,622 454,394,957 625,311,867
Debt instruments Equity instruments	615,634,321	9,677,546 1,782,337	3,478,811	11,622 454,394,957 625,311,867 5,261,147
Debt instruments Equity instruments	, ,	9,677,546	3,478,811 3,478,811	11,622 454,394,957 625,311,867 5,261,147
Debt instruments Equity instruments Total financial assets	615,634,321	9,677,546 1,782,337		11,622 454,394,957 625,311,867 5,261,147
Debt instruments Equity instruments Total financial assets In Rupees Thousand	615,634,321	9,677,546 1,782,337 11,471,505	3,478,811	11,622 454,394,957 625,311,867 5,261,147 1,102,720,778
Debt instruments Equity instruments Total financial assets In Rupees Thousand LIABILITIES Due to banks	615,634,321	9,677,546 1,782,337 11,471,505	3,478,811	11,622 454,394,957 625,311,867 5,261,147 1,102,720,778
Debt instruments Equity instruments Total financial assets In Rupees Thousand LIABILITIES Due to banks Derivative financial instruments	615,634,321	9,677,546 1,782,337 11,471,505	3,478,811	11,622 454,394,957 625,311,867 5,261,147 1,102,720,778
Debt instruments Equity instruments Total financial assets In Rupees Thousand LIABILITIES Due to banks Derivative financial instruments Financial liabilities - due to depositors	615,634,321	9,677,546 1,782,337 11,471,505	3,478,811	11,622 454,394,957 625,311,867 5,261,147 1,102,720,778
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	615,634,321	9,677,546 1,782,337 11,471,505 AC 35,045,251 1,016,574,286 21,203,242	3,478,811	11,622 454,394,957 625,311,867 5,261,147 1,102,720,778 Total 35,045,251 1,016,574,286 21,203,242
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	615,634,321	9,677,546 1,782,337 11,471,505 AC 35,045,251	3,478,811	11,622 454,394,957 625,311,867 5,261,147 1,102,720,778 Total 35,045,251
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	615,634,321	9,677,546 1,782,337 11,471,505 AC 35,045,251 1,016,574,286 21,203,242	3,478,811 FVPL	11,622 454,394,957 625,311,867 5,261,147 1,102,720,778 Total 35,045,251 1,016,574,286 21,203,242
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 Total financial liabilities AC - Financial assets / liabilities measured at an EVPL - Financial assets / liabilities measured at fail	615,634,321 	9,677,546 1,782,337 11,471,505 AC 35,045,251 1,016,574,286 21,203,242 26,691,711 1,099,514,490 h profit or loss	3,478,811 FVPL	11,622 454,394,957 625,311,867 5,261,147 1,102,720,778 Total 35,045,251 1,016,574,286 21,203,242 26,691,711 1,099,514,490
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 Total financial liabilities CC - Financial assets / liabilities measured at an EVPL - Financial assets / liabilities measured at fait VOCI - Financial assets / liabilities measured at fait ANALYSIS OF LOANS & AI	1,087,770,463 1,087,770,463 nortised cost ir value through ir value through DVANCES	9,677,546 1,782,337 11,471,505 AC 35,045,251 1,016,574,286 21,203,242 26,691,711 1,099,514,490 h profit or loss h other compre	3,478,811 FVPL	11,622 454,394,957 625,311,867 5,261,147 1,102,720,778 Total 35,045,251 1,016,574,286 21,203,242 26,691,711 1,099,514,490
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 Total financial liabilities CC - Financial assets / liabilities measured at an EVPL - Financial assets / liabilities measured at fair EVOCI - Financial assets / liabilities measured at fair	1,087,770,463 1,087,770,463 nortised cost ir value through ir value through DVANCES 30.09.2020	9,677,546 1,782,337 11,471,505 AC 35,045,251 1,016,574,286 21,203,242 26,691,711 1,099,514,490 h profit or loss h other compre	3,478,811 FVPL	11,622 454,394,957 625,311,867 5,261,147 1,102,720,778 Total 35,045,251 1,016,574,286 21,203,242 26,691,711 1,099,514,490
- due to debt securities holders - due to other borrowers Debt securities issued Total financial liabilities AC - Financial assets / liabilities measured at an EVPL - Financial assets / liabilities measured at fair EVOCI - Financial assets / liabilities measured at fair ANALYSIS OF LOANS & Al	1,087,770,463 1,087,770,463 nortised cost ir value through ir value through DVANCES	9,677,546 1,782,337 11,471,505 AC 35,045,251 1,016,574,286 21,203,242 26,691,711 1,099,514,490 h profit or loss h other compre	3,478,811 FVPL	11,622 454,394,957 625,311,867 5,261,147 1,102,720,778 Total 35,045,251 1,016,574,286 21,203,242 26,691,711 1,099,514,490

In Rupees Thousand	As at 30.09.2020	As at 31.12.2019 (Audited)	As at 30.09.2020	As at 31.12.2019 (Audited)
Product-wise Gross loans and advances				· · · · · ·
By product - Domestic currency				
Lease rental and hire purchase receivable	-	-	543,155	472,747
Term loans	412,743,511	397,688,001	415,615,626	400,812,948
Pawning	40,974,940	36,754,318	41,017,875	36,792,150
Other loans				
Loan to Government	2,030,000	2,075,000	2,030,000	2,075,000
Securities purchased under resale agreements	5,789,346	3,130,955	5,801,429	3,150,59
Staff loans	9,220,219	7,565,685	9,344,118	7,689,10
Sub Total	470,758,017	447,213,959	474,352,204	450,992,54
By product - Foreign currency				
Term loans	6,788,270	11,447,939	6,788,270	11,447,939
Gross loans and advances	477,546,286	458,661,898	481,140,473	462,440,480
	477.740.000	470 001 000	404 440 470	400 440 404
Gross loans & advances	477,546,286	458,661,898	481,140,473	462,440,480
Accumulated impairment under stage 1	(2,624,632)	(1,601,273)	(2,729,957)	(1,707,088
Accumulated impairment under stage 2	(837,520)	(271,001)	(864,534)	(314,032
Accumulated impairment under stage 3	(5,359,967)	(2,394,667)	(6,793,100)	(3,783,076
Net value of loans & advances	468,724,168	454,394,957	470,752,883	456,636,285
Under Stage 1 Opening balance Acquisition through business combinations Charge/(Write back) to Income Statement	1,601,273 - 1,023,359	1,610,731 - (9,458)	1,707,088 - 1,022,869	1,610,73 84,48 11,87
Closing balance	2,624,632	1,601,273	2,729,957	1,707,08
Under Stage 2				
Opening balance	271,001	272,348	314,032	272,34
Acquisition through business combinations	-	-	-	43,15
Charge/(Write back) to Income Statement	566,519	(1,347)	550,502	(1,47
Closing balance	837,520	271,001	864,534	314,0
Under Stage 3				
Opening balance	2,394,667	1,963,230	3,783,076	1,963,23
Acquisition through business combinations	-	-	-	1,389,69
Charge/(Write back) to Income Statement	2,973,600	447,061	3,018,767	450,25
Write-off during the period	(8,300)	(15,624)	(8,300)	(15,62
Other movements	-	-	(443)	(4,47
Closing balance at	5,359,967	2,394,667	6,793,100	3,783,07
Total Impairment	8,882,119	4,266,941	10,387,591	5,804,19
ANALYS	SIS OF DEPOS AT 30.09.2020	SITS	20,001,002	3,33 4,

AS AT 30.09.2020

	Ba	Group		
In Rupees Thousand	As at 30.09.2020	As at 31.12.2019 (Audited)	As at 30.09.2020	As at 31.12.2019 (Audited)
By product - Domestic currency				
Demand deposits (current accounts)	-	-	-	-
Savings deposits	258,459,247	215,009,613	259,056,273	215,588,790
Fixed deposits	901,666,396	789,539,626	901,632,810	788,021,584
Sub Total	1,160,125,643	1,004,549,239	1,160,689,083	1,003,610,374
By product - Foreign currency				
Demand deposits (current accounts)	-	-	-	-
Savings deposits	3,960,819	3,541,219	3,960,819	3,541,219
Fixed deposits	10,854,830	8,483,828	10,854,830	8,483,828
Sub total	14,815,649	12,025,047	14,815,649	12,025,047
Total	1,174,941,292	1,016,574,286	1,175,504,732	1,015,635,421

c. Group - as at 30.09.2020				
In Rupees Thousand	AC	FVPL	FVOCI	Total
ASSETS	·			
Cash and cash equivalents Balances with central Bank Placements with banks Derivative financial instruments Loans and advances Debt instruments Equity instruments Total financial assets	7,229,997 12 19,510,660 470,752,884 716,795,362	19,437 25,628,282 2,176,439 27,824,158	6,804,220 2,934,517 9,738,737	7,229,997 12 19,510,660 19,437 470,752,884 749,227,865 5,110,956 1,251,851,810
Total Intalicial associs	1,211,200,010	21,021,100	0,100,101	1,201,001,010
In Rupees Thousand		AC	FVPL	Total
LIABILITIES				
Due to banks Derivative financial instruments Financial liabilities		21,444,715	-	21,444,715
- due to depositors		1,175,504,732	-	1,175,504,732
- due to debt securities holders - due to other borrowers Debt securities issued		18,139,546 26,462,339	- - -	18,139,546 26,462,339

1,241,551,333

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

In Rupees Thousand	AC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	5,564,824	-	-	5,564,824
Balances with central Bank	58	-	-	58
Placements with banks	15,745,184	-	-	15,745,184
Derivative financial instruments	- · · · · · -	11,622	-	11,622
Loans and advances	456,636,285	-	-	456,636,285
Debt instruments	619,567,786	20,347,937	1,011,706	640,927,429
Equity instruments	-	1,782,337	3,614,876	5,397,213
Total financial assets	1,097,514,137	22,141,893	4,626,582	1,124,282,615
In Rupees Thousand		AC	FVPL	Total
LIABILITIES				

In Rupees I nousand	AC	FVPL	Totai			
LIABILITIES						
Due to banks	36,139,122	_	36,139,122			
Derivative financial instruments	-	-	-			
Financial liabilities - due to depositors	1.015.625.421		1 015 625 421			
- due to depositors - due to debt securities holders	1,015,635,421	-	1,015,635,421			
- due to other borrowers	32,808,023	-	32,808,023			
Debt securities issued	26,955,697	-	26,955,697			
Total financial liabilities	1,111,538,263	-	1,111,538,263			
CASH ELOW STATEMENT						

CASII FLOW	STATEMEN	NI		
	Ba	nk	Gro	oup
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cash flows from operating activities				
Interest receipts	95,888,799	92,006,704	97,316,334	93,193,254
Interest payments	(66,700,648)	(61,785,211)	(67,347,228)	(62,538,834)
Net commission receipts	1,398,786	742,825	1,404,130	746,629
Trading income	880,582	276,085	1,216,838	336,328
Payment to employees	(7,371,280)	(7,422,541)	(7,517,785)	(7,445,329)
VAT, NBT & DRL on financial services	(2,333,648)	(3,628,785)	(2,533,673)	(3,725,857)
Receipts from other operating activities	242,545	261,189	252,203	259,605
Payment on other operating activities	(3,017,613)	(3,148,986)	(3,075,402)	(3,099,799)
Operating profit before change in operating assets & liabilities	18,987,523	17,301,281	19,715,417	17,725,986
(Increase) / decrease in operating assets				
Balances with Central Bank of Sri Lanka	-	-	-	-
Placement with banks	(3,023,657)	3,129,808	(3,781,732)	3,129,808
Derivative financial instruments	29,203	4,744,069	29,203	4,744,069
Financial assets at FVPL	(159,314)	11,367,477	(5,243,765)	12,063,819
Financial assets at amortised cost - loans & advances	(48,564,450)	(23,151,641)	(48,317,778)	(23,147,126)
Financial assets at amortised cost - debt & other instrument	(72,810,758)	(62,444,184)	(73,431,948)	(62,448,258)
Proceeds from the sale and maturity of financial investments	- 1	-	-	-
Other assets	(6,526,880)	(4,679,224)	(6,587,634)	(4,639,737)
	(131,055,856)	(71,033,695)	(137,333,654)	(70,297,424)
Increase/(decrease) in operating liabilities				
Due to bank	(17,505,603)	(34,137,554)	(14,752,309)	(37,796,775)
Derivative financial instruments	155 450 101	(1,533)	150.050.500	(1,533)
Financial liabilities at amortised cost-due to depositors Financial liabilities at amortised cost-due to debt securities holders	157,453,131	109,207,011	158,953,799	109,207,011
Financial liabilities at amortised cost-due to other borrowers	(15,971,190)	8,037,104	(14,306,232)	11,055,932
Debt securities issued	· · · · · · · · · · · ·	(25,677,100)	·	(25,677,100)
Other liabilities	823,841	63,455	854,747	59,898
	124,800,179	57,491,384	130,750,005	56,847,433
Net cash generated from operating activities before income tax	12,731,846	3,758,969	13,131,768	4,275,996
Income tax paid	(2,889,040)	(2,957,338)	(3,206,435)	(3,003,939)
Net cash (used in)/from operating activities	9,842,806	801,631	9,925,333	1,272,057
Cash flows from investing activities				
Purchase of property, plant and equipment	(1,122,682)	(989,985)	(1,125,260)	(001 500)
Proceeds from the sale of property, plant and equipment	3,034	4,693	3,034	(991,586)
Net (increase)/decrease in financial instruments at fair value through other	0,001	1,000	5,051	4,693
comprehensive income	(5,822,341)	2,373,159	(5,695,962)	1,922,567
Net Purchase/improvement to Investment Properties	-	-	` ' ' - ' - '	
Proceeds from the sale and maturity of financial investments	-	-	-	-
Net purchase of intangible assets	-	-	-	-
Net cash flow from acquisition of investment in subsidiaries and associates	170.000	-	-	-
Dividends received from investment in subsidiaries and associates	170,000	-	-	-
Net cash (used in)/from investing activities	(6,771,989)	1,387,867	(6,818,188)	935,674

SELECTED PERFORMANCE INDICATORS (AS PER REGULATORY REPORTING)

(390,000)

(1,000,000)

(1,390,000)

1,680,816

5,293,907

6,974,723

(388,932)

(388,932)

1,800,567

3,351,975

5,152,542

	Bank		Group		
Item	As at 30.09.2020	As at 31.12.2019	As at 30.09.2020	As at 31.12.2019	
Regulatory Capital Adequacy (LKR in Thousand) Common Equity Tier 1 Core (Tier 1) Capital Total Capital Base	29,203,952 29,203,952 35,595,942	30,699,940 30,699,940 36,641,062	33,745,227 33,745,227 39,914,429	35,233,934 35,233,934 41,235,169	
Regulatory Capital Ratios (%) Common Equity Tier 1 Capital (%)(Minimum Requirement, 2020-6.5 %, 2019-7.0 %) Tier 1 Capital Ratio % (Minimum Requirement, 2020-8.00 %, 2019-8.5 %) Total Capital Ratio % (Minimum Requirement, 2020-12.00 %, 2019-12.5 %)	10.214 10.214 12.449	12.023 12.023 14.349	11.779 11.779 13.933	13.903 13.903 16.271	
Leverage Ratio (Minimum Requirement - 3.00%)	4.91	5.13	5.29	5.57	
Regulatory Liquidity Statutory Liquid Assets (LKR in Thousand) Statutory Liquid Assets Ratio, % (Minimum Requirement, 20%)	798,326,467	568,490,585	NR	NR	
Domestic Banking Unit (%) Off-Shore Banking Unit (%)	71.93 NR	60.20 NR	NR NR	NR NR	
Total Stock of High Quality Liquid Assets (All Currency LKR in Thousand) Liquidity Coverage Ratio (%) - (Minimum Requirement, 2020 - 90%, 2019 - 100%)	746,394,354	571,476,200	NR	NR	
Rupee (%) All Currency (%)	321.42 317.03	278.12 276.64	NR NR	NR NR	
Net Stable Funding Ratio (%) -(Minimum Requirements, 2020 - 90 %, 2019 - 100 %) Assets Ouality (Ouality of Loan Portfolio)	172.47	175.00	NR	NR	
Gross Non - Performing Advances Ratio, % (Net of Interest in Suspense) Net Non-Performing Advances, % (Net of Interest in Suspense and Provisions)	3.31 2.67	1.57 1.17	NR NR	NR NR	
Profitability Interest Margin, % Return on Assets (before Tax), %	2.56 0.82	2.63 0.95	2.61 0.90	2.65 1.18	
Return on Equity, %	12.75	15.32	13.38	19.64	

Note*: NR - Not Relevant CERTIFICATION: I certify that the above Financial Statements give a

Cash flows from financing activities Net proceeds from the issue of ordinary share capital Net proceeds from the issue of other equity instruments Net proceeds from the issue of subordinated debt

Repayment of subordinated debt

Other Borrowings

Interest paid on subordinated debt

Net cash from financial activities

Contribution to consolidated fund-dividend/levy

Net increase/(decrease) in cash & cash equivalents

Cash and cash equivalents at the beginning of the year

Exchange difference in respect of cash & cash equivalent Cash and cash equivalents at the end of the period

true and fair view of the State of Affairs of the Bank and its subsidiaries as at 30th September 2020 and the profits for the period then ended. Sgd. - K. Raveendran

Senior Deputy General Manager

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 companies, unless indicated as audited.

(a) The above statements have been prepared in compliance with the

(92,454)

(1,000,000)

(1,519,461)

1,587,685

5,482,007

7,069,692

(388,932)

(388,932)

1,818,799

3,354,558

5,173,357

Sgd. - Keasila Jayawardena Sgd. - M.P.A.W. Peiris General Manager / CEO Chairperson

We, the undersigned, being the Chairperson and the General Manager / Chief Executive Officer of National Savings Bank certify jointly that:-26th November 2020,

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