NATIONAL SAVINGS BANK INTERIM FINANCIAL STATEMENTS For the six months ended 30th June 2022



INCOME STATEMENT								
	Ba	nk	Gro	up				
For the six months ended 30 th June 2022	2022	2021	2022	2021				
	Rs. '000	Rs. '000	Rs. '000	Rs. '000				
Income	75,679,971	65,802,458	74,728,690	66,408,477				
Interest income	75,694,257	64,113,194	76,927,475	65,032,725				
Interest expenses Net interest income	(47,529,674)	(37,946,633)	(48,276,859)	(38,263,066)				
Fee and commission income	28,164,583	26,166,561	28,650,616	26,769,659				
	1,441,360	1,376,768	1,444,511	1,381,521				
Fee and commission expenses Net fee and commission income	(131,714)	(90,439)	(132,848)	(92,042)				
Net gains/(losses) from trading	1,309,646	1,286,329	1,311,663	1,289,479				
Net fair value gains/(losses)	(1,639,544)	(172,872)	(3,839,652)	(251,295)				
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 profit or loss	-	-		-				
at amortised cost	(18, 289)		(18, 289)	-				
at fair value through other comprehensive income	(3, 180)	16,985	(3,180)	16,985				
Net other operating income	205,368	468,383	217,825	228,541				
Total operating income	28,018,583	27,765,386	26,318,982	28,053,369				
Impairment charges	(6, 870, 948)	(1, 396, 520)	(6, 866, 992)	(1, 353, 125)				
Net operating income	21,147,635	26,368,866	19,451,990	26,700,244				
Personnel expenses	(6, 765, 823)	(6, 594, 275)	(6,921,589)	(6,724,536)				
Depreciation and amortization expenses	(663, 750)	(652,837)	(672,806)	(661,051)				
Other expenses	(2,899,439)	(2,205,414)	(2,928,964)	(2,231,013)				
Operating profit/(loss) before VAT on financial services	10,818,624	16,916,339	8,928,631	17,083,643				
Value Added Tax (VAT) on financial services	(2,657,313)	(3,056,363)	(2,707,403)	(3, 126, 958)				
Operating profit/(loss) after VAT on financial services	8,161,311	13,859,976	6,221,228	13,956,685				
Share of profits of associates and joint ventures	-		-	-				
Profit/(loss) before tax	8,161,311	13,859,976	6,221,228	13,956,685				
Income tax expenses	(2,749,943)	(2,848,472)	(2,814,808)	(2,888,182)				
Profit/(loss) for the period	5,411,368	11,011,504	3,406,420	11,068,503				
Profit attributable to:								
Equity holders of the Bank	5,411,368	11,011,504	3,406,420	11,068,503				
Non-controlling interests	-	-	-	-				
Earnings per share on profit								
Basic earnings per ordinary share (Rs.)	5.76	11.71	3.62	11.78				
Diluted earnings per ordinary share (Rs.)	5.76	11.71	3.62	11.78				
Diated carinings per oraniary share (105.)	5.10	11./1	5.02	11.70				

STATEMENT OF COMPREHENSIVE INCOME

	Ba	nk	Gro	oup
For the six months ended 30 th June 2022	2022 Rs. '000	2021 Rs. '000	2022 Rs. '000	2021 Rs. '000
Profit / (Loss) for the period	5,411,368	11,011,504	3,406,420	11,068,503
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	(1, 214, 165)	(52,201)	(1,559,243)	(75,993)
Net gains/(losses) on investment in debt instruments transferred to income statement	3,180	(16,985)	3,180	(16,985)
Deferred tax effect on the above	290,636	17,895	290,636	17,895
Total other comprehensive income to be reclassified to				
Income Statement	(920,348)	(51,291)	(1, 265, 426)	(75,083)
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 through profit or loss	(969,313) -	155,779	(1,042,018)	189,866
Re-measurement of post-employment benefit obligations	-	-	1,413	(811)
Deferred Tax effect on the above	-	(498,929)	-	(498,929)
Re-measurement of post-employment benefit obligations (net of taxes)	-	(498,929)	1,413	(499,740)
Change in Revaluation Reserve	-	-	-	-
Deferred tax effect on the above	-	371,032	-	371,032
Changes in revaluation surplus (net of taxes) Share of profits of associates and joint ventures	-	371,032	-	371,032
Total other comprehensive income not to be reclassified to	-	-	-	· · ·
Income Statement	(969,313)	27,881	(1,040,605)	61,157
Total other comprehensive income(OCI) for the period,	(000,010)	21,001	(1,010,000)	01,101
net of taxes	(1,889,661)	(23, 410)	(2,306,031)	(13, 926)
Total comprehensive income for the period	3,521,707	10,988,094	1,100,389	11,054,577
Attributable to:				
Equity holders of the Bank	3,521,707	10,988,094	1,100,389	11,054,577
Non-controlling interests	-	-	-	-

Explanatory Notes :-

There are no changes to the accounting policies and methods of computation since the publication of annual accounts for the year 2021.

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.

NSBOD

Impairment Assessment All the Corporate clients were assessed individually based on their historical payment patterns, Covid-19 economic impact on 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 two to stage three (due to expected cashflow impairment) despite of their past due status.

The portfolio level impairment assessment was carried out for the individual borrowers. However, in some scenarios' management judgment was used to as

STATEMENT OF FIN	ANCIAL	POSITION	[
	Ba		Gro	oup
	As at	As at	As at	As at
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	Rs. '000	Rs. '000 (Audited)	Rs. '000	Rs. '000 (Audited)
Assets				
Cash and cash equivalents	10,352,849	7,656,038	10,426,097	7,721,532
Balances with Central Bank	175,123	-	175,210	7
Placements with banks	7,637,923	7,120,698	8,752,628	9,323,663
Derivative financial instruments Financial assets recognized through profit or loss	40,367	-	40,367	-
measured at fair value	14,646,023	19,572,933	25,263,590	40,392,152
designated at fair value	-	-	-	-
Financial assets at amortised cost				
Loans and Advances Debt and other instruments	558,559,216	538,941,789	559,125,564	538,600,866
Financial assets meassured at fair value through other comprehensive income	935,007,472 12,625,052	935,350,052 13,817,594	943,684,372 13,763,454	940,536,328 15,993,803
Investments in subsidiaries	5,811,000	4,811,000	-	-
Investments in associates and joint ventures	-	-	-	-
Property, plant and equipment	14,856,088	15,045,618	15,747,079	15,949,505
Right of used assets	1,115,088	1,205,916	1,150,566	1,244,138
Investment properties Goodwill and intangible assets	- 710,533	- 816,058	204,977 716,051	210,577 821,420
Deferred tax assets	2,126,960	1,104,779	2,127,584	1,105,653
Other assets	44,980,715	33,655,272	45,233,406	33,905,753
Total assets	1,608,644,407	1,579,097,748	1,626,410,944	1,605,805,398
Liabilities				
Due to banks	9,248,918	7,686,553	18,418,568	10,470,191
Derivative financial instruments	-		-	-
Financial liabilities recognized through profit or loss				
measured at fair value	-	-	-	-
designated at fair value through profit or loss	-	-	-	-
Financial liabilities at amortised cost				
due to depositors due to debt securities holders	1,436,040,009	1,428,467,385	1,435,494,959	1,426,724,704
due to other borrowers	27,250,284	7,719,532	32,859,382	27,087,920
Lease liability	1,227,336	1,292,139	1,267,235	1,333,623
Debt securities issued	38,706,198	37,529,017	38,795,198	37,618,575
Retirement benefit obligations	8,491,960	8,590,642	8,540,143	8,637,425
Current tax liabilities	6,564,213	4,596,190	6,705,787	4,914,918
Deferred tax liabilities	-	-	1,939	1,939
Other provisions	-	-	-	-
Other liabilities	6,885,688	7,200,032	7,286,113	7,566,892
Due to subsidiaries	10,500	3,500	-	-
Total liabilities	1,534,425,107	1,503,084,991	1,549,369,325	1,524,356,185
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	5,282,476	5,174,249	5,324,286	5,209,101
OCI reserve Retained earnings	(2,548,037)	(658,376) 13 727 801	(3,061,584)	(754,140)
-	13,809,860 48,275,000	13,727,801 48,369,082	15,797,739 49 581 178	17,918,992 49,675,259
Other reserves	48,275,000	48,369,082	49,581,178	49,675,259
Total shareholders' equity	74,219,300	76,012,757	77,041,619	81,449,213
Non-controlling interests	-	-	-	-
Total equity	74,219,300	76,012,757	77,041,619	81,449,213
Total equity and liabilities	1,608,644,407	1,579,097,748	1,626,410,944	1,605,805,398
		13,023,207	15,625,347	13,027,749
Contingent liabilities and commitments Memorandum Information	15,619,110		,	
Memorandum Information			,	
~	4,559 262	4,616 261		

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. 4. Surcharge Tax

In terms of provision of the Surcharge Tax Act No.14 of 2022, the Group is liable to pay Surcharge Tax at the rate of 25 percent on the taxable income of the year of assessment 2020/2021 amounting to Rs 5,360 Mn and since this is related to the previous year, this has been adjusted as a prior year adjustment in the Financial Statement as at 30/06/2022. The tax under this Act shall be deemed to be an expenditure in the financial statement relating to the year of assessment 2020/2021 and no deduction is granted in calculating Income Tax and VAT on Financial Services for the payment of Surcharge Tax.

STATEMENT OF CHANGES IN EQUITY - BANK

								In Rupees Thousand
For the six months ended 30.06.2021	Stated Capital/ Assigned Capital	Statutory Reserve Fund	Revaluation Reserve	OCI Reserve	Cash Flow Hedging Reserve	Retained Earnings	Other Reserves	Total Equity
Balance as at 1 st January 2021	9,400,000	4,068,268	6,678,568	(434,929)	-	14,399,572	20,302,421	54,413,901
Total comprehensive income for the period								
Net profit for the period	-	-	-	-	-	11,011,504	-	11,011,504
Other comprehensive income net of tax	-	-	-	-	-	(498,929)	-	(498,929)
Net change in fair value of debt instrument of Fair Value								
through Other Comprehensive Income	-	-	-	(51,291)	-	-	-	(51,291)
Net change in fair value of equity instrument of Fair Value								
through Other Comprehensive Income	-	-	-	155,779	-	-	-	155,779
Net change in Revaluation Reserve	-	-	371,032	-	-	-	-	371,032
Total comprehensive income for the period	-	-	371,032	104,488	-	10,512,575	-	10,988,094
Transactions with equity holders, recognised directly in equity								
Transfers to unclaimed deposits reserve	-	-	-	-	-	-	(44,699)	(44,699)
Contribution to the consolidated fund-Dividend/Levy	-	-	-	-	-	(1,500,000)	-	(1,500,000)
Contribution to national insurance trust fund	-	-	-	-	-	(110,115)	-	(110,115)
Transfers during the period	-	550,575	-	-	-	(550,575)	-	-
Total transactions with equity holders	-	550,575	-	-	-	(2,160,690)	(44,699)	(1,654,814)
Balance as at 30.06.2021	9,400,000	4,618,843	7,049,600	(330,441)	-	22,751,457	20,257,722	63,747,182

								In Rupees Thousand
For the six months ended 30.06.2022	Stated Capital/ Assigned Capital	Statutory Reserve Fund	Revaluation Reserve	OCI Reserve	Cash Flow Hedging Reserve	Retained Earnings	Other Reserves	Total Equity
Balance as at 1 st January 2022	9,400,000	5,174,249	7,049,600	(658,376)	-	13,727,801	41,319,482	76,012,757
Prior Year Adjustments	-	-	-	-	-	(5,166,968)	-	(5,166,968)
Re- stated opening balance	9,400,000	5,174,249	7,049,600	(658,376)	-	8,560,833	41,319,482	70,845,789
Total comprehensive income for the period								
Net profit for the period	-	-	-	-	-	5,411,368	-	5,411,368
Other comprehensive income net of tax	-	-	-	-	-	-	-	-
Net change in fair value of debt instrument of Fair Value								
through Other Comprehensive Income	-	-	-	(920,348)	-	-	-	(920,348)
Net change in fair value of equity instrument of Fair Value								
through Other Comprehensive Income	-	-	-	(969,313)	-	-	-	(969,313)
Net change in Revaluation Reserve	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(1,889,661)	-	5,411,368	-	3,521,707
Transactions with equity holders, recognised directly in equity								
Transfers to unclaimed deposits reserve / issued share capital	-	-	-	-	-	-	(94,081)	(94,081)
Contribution to the consolidated fund-Dividend/Levy	-	-	-	-	-		-	-
Contribution to national insurance trust fund	-	-	-	-	-	(54,114)	-	(54,114)
Transfers during the period	-	108,227	-	-	-	(108,227)	-	-
Total transactions with equity holders	-	108,227	-	-	-	(162,341)	(94,081)	(148,195)
Balance as at 30.06.2022	9,400,000	5,282,476	7,049,600	(2,548,037)	-	13,809,860	41,225,401	74,219,300

STATEMENT OF CHANGES IN EQUITY - GROUP

								In Rupees Thousand
For the six months ended 30.06.2021	Stated Capital/ Assigned Capital	Statutory Reserve Fund	Revaluation Reserve	OCI Reserve	Cash Flow Hedging Reserve	Retained Earnings	Other Reserves	Total Equity
Balance as at 1 st January 2021	9,400,000	4,090,363	7,117,674	(411,786)	-	18,601,588	21,167,980	59,965,821
Total comprehensive income for the period								
Net profit for the period	-	-	-	-	-	11,068,503	-	11,068,503
Other comprehensive income net of tax	-	-	-	-	-	(499,740)	-	(499,740)
Net change in fair value of debt instrument of Fair Value								
through Other Comprehensive Income	-	-	-	(75,083)	-	-	-	(75,083)
Net change in fair value of equity instrument of Fair Value								
through Other Comprehensive Income	-	-	-	189,866	-	-	-	189,866
Net change in Revaluation Reserve	-	-	371,032	-	-	-	-	371,032
Total comprehensive income for the period	-	-	371,032	114,783	-	10,568,763	-	11,054,577
Transactions with equity holders, recognised directly in equity								
Transfers to unclaimed deposits reserve	-	-	-	-	-	-	(44,699)	(44,699)
Contribution to the consolidated fund-Dividend/Levy	-	-	-	-	-	(1,500,000)	-	(1,500,000)
Contribution to national insurance trust fund	-	-	-	-	-	(110,115)	-	(110,115)
Transfers during the period	-	556,724	-	-	-	(602,729)	46,005	-
Total transactions with equity holders	-	556,724		-	-	(2,212,844)	1,306	(1,654,814)
Balance as at 30.06.2021	9,400,000	4,647,087	7,488,706	(297,003)	-	26,957,506	21,169,286	69,365,584

For the six months ended 30.06.2022	Stated Capital/ Assigned Capital	Statutory Reserve Fund	Revaluation Reserve	OCI Reserve	Cash Flow Hedging Reserve	Retained Earnings	Other Reserves	Total Equity
Balance as at 1 st January 2022	9,400,000	5,209,101	7,488,706	(754,140)	-	17,918,992	42,186,553	81,449,213
Prior Year Adjustments	-	-	-	-	-	(5,359,787)	-	(5,359,787)
Re- stated opening balance	9,400,000	5,209,101	7,488,706	(754,140)	-	12,559,205	42,186,553	76,089,426
Total comprehensive income for the period								
Net profit for the period	-	-	-		-	3,406,420	-	3,406,420
Other comprehensive income net of tax	-	-	-	-	-	1,413	-	1,413
Net change in fair value of debt instrument of Fair Value								
through Other Comprehensive Income	-	-	-	(1,265,426)	-	-	-	(1,265,426)
Net change in fair value of equity instrument of Fair Value								
through Other Comprehensive Income	-	-	-	(1,042,018)	-	-	-	(1,042,018)
Net change in Revaluation Reserve	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(2,307,444)	-	3,407,833	-	1,100,389
Transactions with equity holders, recognised directly in equity								
Transfers to unclaimed deposits reserve / issued share capital	-	-	-	-	-	-	(94,081)	(94,081)
Contribution to the consolidated fund-Dividend/Levy	-	-	-	-	-	-	-	-
Contribution to national insurance trust fund	-	-	-	-	-	(54,114)	-	(54,114)
Transfers during the period	-	115,185	-	-	-	(115,185)	-	-
Total transactions with equity holders	-	115,185	-	-	-	(169,299)	(94,081)	(148,195)
Balance as at 30.06.2022	9,400,000	5,324,286	7,488,706	(3,061,584)	-	15,797,739	42,092,472	77,041,619

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

In Rupees The



NATIONAL SAVINGS BANK TERIM FINANCIAL STATEMENTS For the six months ended 30th June 2022

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

a. Bank - as at 30.06.2022				
In Rupees Thousand	AC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	10,352,849	-	-	10,352,849
Balances with Central Bank	175,123	-	-	175,123
Placements with banks	7,637,923	-	-	7,637,923
Derivative financial instruments	-	40,367	-	40,367
Loans and advances	558,559,216	-	-	558,559,216
Debt instruments	935,007,472	12,682,052	10,699,008	958,388,531
Equity instruments	-	1,963,971	1,926,044	3,890,015
Total financial assets	1,511,732,583	14,686,390	12,625,052	1,539,044,024
In Rupees Thousand		AC	FVPL	Total
LIABILITIES				
Due to banks		9,248,918	-	9,248,918
Derivative financial instruments		-	-	-
Financial liabilities		1 490 040 000		1 490 040 000
 due to depositors due to debt securities holders 		1,436,040,009	-	1,436,040,009
- due to debt securities noticers		27,250,284	-	27,250,284
Debt securities issued		38,706,198	-	38,706,198
Total financial liabilities		1,511,245,409	-	1,511,245,409
		1,511,215,105		1,511,215,105
b. Bank - as at 31.12.2021 - Audited	, ,	T		
In Rupees Thousand	AC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	7,656,038	-	-	
Relances with Control Renk				7,656,038
Balances with Central Bank	-	-	-	-
Placements with banks	7,120,698	-	-	7,656,038 - 7,120,698
Placements with banks Derivative financial instruments	-	- -	-	7,120,698
Placements with banks Derivative financial instruments Loans and advances	538,941,789	- - - 17 242 052	- - - -	7,120,698 538,941,789
Placements with banks Derivative financial instruments	-	- - - 17,242,953 2,329,980	- - - 10,922,236 2,895,358	7,120,698
Placements with banks Derivative financial instruments Loans and advances Debt instruments	538,941,789	, ,	, ,	7,120,698 538,941,789 963,515,242
Placements with banks Derivative financial instruments Loans and advances Debt instruments Equity instruments	538,941,789 935,350,052	2,329,980	2,895,358	7,120,698 538,941,789 963,515,242 5,225,338
Placements with banks Derivative financial instruments Loans and advances Debt instruments Equity instruments Total financial assets	538,941,789 935,350,052	2,329,980 19,572,933	2,895,358 13,817,594	7,120,698 538,941,789 963,515,242 5,225,338 1,522,459,104
Placements with banks Derivative financial instruments Loans and advances Debt instruments Equity instruments Total financial assets In Rupees Thousand	538,941,789 935,350,052	2,329,980 19,572,933	2,895,358 13,817,594	7,120,698 538,941,789 963,515,242 5,225,338 1,522,459,104
Placements with banks Derivative financial instruments Loans and advances Debt instruments Equity instruments Total financial assets In Rupees Thousand LIABILITIES	538,941,789 935,350,052	2,329,980 19,572,933 AC	2,895,358 13,817,594	7,120,698 538,941,789 963,515,242 5,225,338 1,522,459,104 Total
Placements with banks Derivative financial instruments Loans and advances Debt instruments Equity instruments Total financial assets In Rupees Thousand LIABILITIES Due to banks	538,941,789 935,350,052	2,329,980 19,572,933 AC	2,895,358 13,817,594	7,120,698 538,941,789 963,515,242 5,225,338 1,522,459,104 Total
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	538,941,789 935,350,052	2,329,980 19,572,933 AC	2,895,358 13,817,594	7,120,698 538,941,789 963,515,242 5,225,338 1,522,459,104 Total
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	538,941,789 935,350,052	2,329,980 19,572,933 AC 7,686,553	2,895,358 13,817,594	7,120,698 538,941,789 963,515,242 5,225,338 1,522,459,104 Total 7,686,553
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	538,941,789 935,350,052	2,329,980 19,572,933 AC 7,686,553	2,895,358 13,817,594	7,120,698 538,941,789 963,515,242 5,225,338 1,522,459,104 Total 7,686,553
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	538,941,789 935,350,052	2,329,980 19,572,933 AC 7,686,553 - 1,428,467,385	2,895,358 13,817,594	7,120,698 538,941,789 963,515,242 5,225,338 1,522,459,104 Total 7,686,553

- Financial assets / liabilities measured at amortised cost AC

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 AS AT 30.06.2022

	Ba	ink	Gro	oup
In Rupees Thousand	As at 30.06.2022	As at 31.12.2021 (Audited)	As at 30.06.2022	As at 31.12.2021 (Audited)
Product-wise Gross loans and advances				
By product - Domestic currency				
Lease rental and hire purchase receivable	-	-	215,751	276,606
Term loans	494,531,050	475,958,353	496,005,555	477,719,364
Pawning	58,506,607	52,193,260	58,506,774	52,195,389
Other loans				
Loan to Government	2,075,000	2,075,000	2,075,000	2,075,000
Securities purchased under resale agreements	468,038	5,530,553	481,263	4,334,138
Staff loans	14,778,292	13,348,092	15,111,629	13,641,981
Sub Total	570,358,987	549,105,259	572,395,973	550,242,478
By product - Foreign currency Term loans	3,971,531	1,806,750	3,971,531	1,806,750
Gross loans and advances	574,330,518	550,912,009	576,367,504	552,049,228
Gross loans & advances	574,330,518	550,912,009	576,367,504	552,049,228
Less : Accumulated impairment under stage 1	(4,074,783)	(3,515,327)	(4,113,742)	(3,597,035)
* 0				
Accumulated impairment under stage 2	(2,284,834)	(2,150,965)	(2,366,551)	(2,168,833)
Accumulated impairment under stage 3	(9,411,685)	(6,303,928)	(10,761,647)	(7,682,494)
Net value of loans & advances	558,559,216	538,941,789	559,125,564	538,600,866
Movement of Impairment during the period Under Stage 1 Opening balance Charge/(Write back) to Income Statement	3,515,327 559,456	2,948,093 567,234	3,597,035 516,707	3,059,041 537,994
Closing balance at	4,074,783	3,515,327	4,113,742	3,597,035
Under Stage 2				
Opening balance	2,150,965	897,811	2,168,833	973,686
Charge/(Write back) to Income Statement	133,869	1,253,154	197,718	1,195,147
Closing balance at	2,284,834	2,150,965	2,366,551	2,168,833
Under Stage 3				
Opening balance	6,303,928	5,145,919	7,682,494	6,538,919
Charge/(Write back) to Income Statement	3,120,867	1,201,801	3,099,271	1,211,257
Write-off during the period	(13,110)	(43,792)	(13,110)	(43,792)
Other movements			(7,008)	(23,891)
Closing balance at	9,411,685	6,303,928	10,761,647	7,682,494
Total Impairment	15,771,302	11,970,219	17,241,940	13,448,362
	10,111,002	11,010,210	11,211,010	10,110,002

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

(SL)AAA

AC 10,426,097 175,210 8,752,628 559,125,564 143,684,372 - 22,163,871 AC	FVPL 40,367 23,299,619 1,963,971 25,303,957 AC 18,418,568 1,435,494,959 32,859,382 38,795,198 1,525,568,107	FVOCI	Total 10,426,097 175,210 8,752,628 40,367 559,125,564 978,726,835 3,984,581 1,561,231,282 Total 18,418,568 1,435,494,959 32,859,382 38,795,198 1,525,568,107
175,210 8,752,628 559,125,564 943,684,372 22,163,871	23,299,619 1,963,971 25,303,957 AC 18,418,568 1,435,494,959 32,859,382 38,795,198	2,020,610 13,763,454	175,210 8,752,628 40,367 559,125,564 978,726,835 3,984,581 1,561,231,282 Total 18,418,568 1,435,494,959 32,859,382 38,795,198
	AC 18,418,568 1,435,494,959 32,859,382 38,795,198		Total 18,418,568 1,435,494,959 32,859,382 38,795,198
AC	18,418,568 1,435,494,959 32,859,382 38,795,198	FVPL	18,418,568 - 1,435,494,959 32,859,382 38,795,198
AC	- 1,435,494,959 32,859,382 38,795,198	- - - - - -	- 1,435,494,959 32,859,382 38,795,198
AC	32,859,382 38,795,198		32,859,382 38,795,198
AC	1,525,568,107	-	1,525,568,107
AC			
AC			
	FVPL	FVOCI	Total
	- - - 38,062,172 2,329,980	- - - 12,931,250 3,062,553	7,721,532 7 9,323,663 538,600,866 991,529,750 5,392,533
96,182,396	40,392,152	15,993,803	1,552,568,350
	AC	FVPL	Total
	10,470,191	-	10,470,191
	1,426,724,704	-	1,426,724,704 27,087,920
	37,618,575	-	37,618,575
3	9,323,663 538,600,866 6440,536,328 96,182,396	538,600,866 38,062,172 940,536,328 38,062,172 2,329,980 40,392,152 AC 10,470,191 1,426,724,704 10426,724,704	338,600,866 38,062,172 12,931,250 040,536,328 38,062,172 12,931,250 2,329,980 3,062,553 96,182,396 40,392,152 15,993,803 AC FVPL 10,470,191 - 1,426,724,704 - 27,087,920 -

CASH FLOW STATEMENT

	Baı		Grou	<u>^</u>
	2022	2021	2022	2021
For the Six Months ended June 30	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cash flows from operating activities	74.070.050	64 079 190	75 940 051	CT 00C 999
Interest receipts	74,079,856	64,973,139	75,246,951	65,996,332
Interest payments Net commission receipts	(42,635,487) 1,309,646	(38,720,462) 1,286,329	(43,156,441) 1,311,663	(39,062,330) 1,289,479
Trading income	389,756	315,667	(1,020,535)	335,682
Payment to employees	(7,522,513)	(5,092,212)	(7,678,209)	(5,206,755)
VAT on financial services	(2,805,495)	(3,411,030)	(2,847,901)	(3,553,793)
Receipts from other operating activities	141,212	105,775	153,470	112,415
Payment on other operating activities	(2,877,798)	(2,044,241)	(2,894,358)	(2,073,691)
Operating profit before change in operating assets & liabilities	20,079,176	17,412,965	19,114,638	17,837,340
(Increase) / decrease in operating assets				
Placement with banks	(9.900.011)	(86,607)	(1,105,472)	1,173,316
Derivative financial instruments	(2,260,911) 372	20,265	372	20,265
Financial assets at FVPL	3,055,935	232,253	12,397,852	1,680,616
Financial assets at a mortised cost - loans & advances	(22,868,280)	(50,330,409)	(23,770,275)	(51,897,813
Financial assets at amortised cost - Debt & Other Instruments	(359,578)	(68,476,583)	(3,777,141)	(68,028,758
Proceeds from the sale and maturity of financial investments	(353,510)	-	-	(00,020,000
Other assets	(12,017,506)	(10,114,949)	(12,019,716)	(10,107,867
	(34,449,969)	(128,756,029)	(28,274,380)	(127,160,241)
Increase/(decrease) in operating liabilities Due to bank	1,473,750	(776,958)	7,858,072	(2,265,367
Due to bank Derivative financial instruments	-	-	-	(2,200,001
Financial liabilities at amortised cost-due to depositors	4,354,628	118,086,850	5,331,695	117,074,573
Financial liabilities at amortised cost-due to debt securities holders	-	-	-	(0 - 00 - 0-
Financial liabilities at amortised cost-due to other borrowers	19,254,193	(3,873,802)	5,492,114	(2,560,878
Debt securities issued Other liabilities	1,425,652	669,153	(558) 1,432,728	679,907
	26,508,223	114,105,241	20,114,052	112,928,236
Net cash generated from operating activities before income tax	12,137,431	2,762,178	10,954,311	3,605,335
Income tax paid	(6,680,433)		(7,115,020)	(288,692
Net cash (used in)/from operating activities	5,456,998	2,762,178	3,839,291	3,316,643
Cash flows from investing activities Purchase of property, plant and equipment	(223,438)	(207, 424)	(223,610)	(221,714
Proceeds from the sale of property, plant and equipment	(223,438)	1,933	9,628	5,451
Net (increase)/decrease in finance instruments at fair value through other	120	1,000	0,020	0,101
comprehensive income	(1,069,795)	1,761,517	(455,292)	1,440,914
Net Purchase / improvements to Investment Properties	-	-	5,600	-
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	(45,532) (1,000,000)	(93,116)	(47,632)	(94,186)
Dividends received from investment in subsidiaries and associates	(1,000,000)	250,000	-	-
Net cash (used in)/from investing activities	(2,338,037)	(1,712,911)	(711,306)	1,130,465
()	(2,000,001)	(-,,)	(111,000)	_,100,100
Cash flows from financing activities Net proceeds from the issue of ordinary share capital	-	-	-	-
Net proceeds from the issue of subordinated debt	-	-	-	-
Repayment of subordinated debt	-	-	-	(32,140)
Interest paid on subordinated debt	(240,838)	(613,298) (1,500,000)	(240,838)	(626,126)
Contribution to consolidated fund-dividend/levy	-	(1,500,000)	-	(1,500,000
Net cash from financial activities	(240,838)	(2,113,298)	(240,838)	(2,158,265
Net increase/(decrease) in cash & equivalents	2,878,122	2,361,791	2,887,146	2,288,842
Cash and cash equivalents at the beginning of the year	7,589,511	6,174,060	7,653,711	6,280,307
Exchange difference in respect of cash & cash equivalent	-	-	-	-
Cash and cash equivalents at the end of the Period	10,467,634	8,535,851	10,540,857	8,569,150

ANALYSIS OF DEPOSITS AS AT 30.06.2022

	Bar	ık	Group		
	As at	As at	As at	As at	
In Rupees Thousand	30.06.2022	31.12.2021 (Audited)	30.06.2022	31.12.2021 (Audited)	
By product - Domestic currency Demand deposits (current accounts)	-	-	-	-	
Savings deposits	299,266,676	320,887,366	299,438,574	321,436,209	
Fixed deposits	1,109,949,830	1,091,917,585	1,109,232,882	1,089,626,061	
Sub Total	1,409,216,506	1,412,804,951	1,408,671,456	1,411,062,270	
By product - Foreign currency Demand deposits (current accounts)	-	-	-	-	
Savings deposits	7,457,743	4,732,796	7,457,743	4,732,796	
Fixed deposits	19,365,760	10,929,638	19,365,760	10,929,638	
Sub total	26,823,503	15,662,434	26,823,503	15,662,434	
Total	1,436,040,009	1,428,467,385	1,435,494,959	1,426,724,704	

SELECTED PERFORMANCE INDICATORS (AS PER REGULATORY REPORTING)

	Bank		Group	
Item	As at 30.06.2022	As at 31.12.2021	As at 30.06.2022	As at 31.12.2021
Regulatory Capital Adequacy (LKR in Thousand) Common Equity Tier 1 Core (Tier 1) Capital Total Capital Base	57,054,965 62,054,965 70,040,779	60,170,042 65,170,042 72,984,005	62,634,670 67,634,670 75,011,176	65,194,031 70,194,031 77,370,432
Regulatory Capital Ratios (%) Common Equity Tier 1 Capital (%)(Minimum Requirement - 6.5%) Tier 1 Capital Ratio (%) (Minimum Requirement - 8.00%) Total Capital Ratio (%) (Minimum Requirement - 12.00%)	15.525 16.886 19.059	17.171 18.598 20.828	17.245 18.621 20.652	18.538 19.960 22.001
Leverage Ratio (Minimum Requirement - 3.00%)	7.88	8.92	8.23	8.95
Regulatory Liquidity Statutory Liquid Assets (LKR in Thousand) Statutory Liquid Assets Ratio (%) (Minimum Requirement - 20%) Domestic Banking Unit (%) Off-Shore Banking Unit (%) Total Stock of High Quality Liquid Assets (All Currency LKR in Thousand) Liquidity Coverage Ratio (%) - (Minimum Requirement - 2022-90%, 2021-100%) Rupee (%) All Currency (%) Net Stable Funding Ratio (%) - (Minimum Requirement - 2022-90%, 2021-100%)	477,099,153 43.62 NR 579,158,126 188.00 185.98 157.54	816,750,871 59.63 NR 785,559,136 240.84 240.43 160.78	NR NR NR NR NR NR	NR NR NR NR NR NR
Assets Quality (Quality of Loan Portfolio) Impaired Loans (Stage 3) Ratio (%) (Net of Stage 3 impairement) Impairement (Stage 3) to Stage 3 Loans Ratio (%) Profitability Interest Margin, (%) (with Interest in suspense) Return on Assets (before Tax), (%)	2.69 38.49 3.56 1.03	2.54 31.52 3.71 1.93	NR NR 3.58 0.78	NR NR 3.73 1.90
Return on Equity, (%)	15.04	33.92	8.97	31.30
Note : NR - Not Relevant CERTIFICATION	(a) The above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka;			
I certify that the above Financial Statements give a true and fair view of the State of Affairs of the Bank and its subsidiaries as at 30 th lune 2022 and	(b) The information contained in these statements have been extracted from the unaudited Financial Statements of the Bank and its subsidiary			

State of Affairs of the Bank and its subsidiaries as at 30th June 2022 and the profits for the period then ended.

sgd Hasitha Athapattu Deputy General Manager (Finance, Corporate Planning & MIS) We, the undersigned, being the Chairperson and the General Manager / Chief Executive Officer of National Savings Bank certify jointly that :- companies unless indicated as audited.

sgd Keasila Jayawardena sgd Ajith Peiris Chairperson Colombo, Sri Lanka

24th August 2022

General Manager / CEO

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