



NATIONAL SAVINGS BANK

FINANCIAL STATEMENTS

AAA(Ika)
First Sri Lanka Bank
to be rated AAA

For the three months ended 31st March, 2018

INCOME STATEMENT

For the three months ended 31st March	Bank		Group	
	2018 Rs. '000	2017 Rs. '000	2018 Rs. '000	2017 Rs. '000
Income	28,087,867	24,219,973	28,299,005	24,426,208
Interest income	27,584,080	23,891,947	27,823,371	24,139,251
Interest expenses	(20,657,894)	(17,977,991)	(20,807,156)	(18,154,282)
Net interest income	6,926,186	5,913,956	7,016,215	5,984,969
Fee and commission income	200,225	169,621	200,695	172,287
Fee and commission expenses	(35,821)	(13,374)	(36,122)	(13,949)
Net fee and commission income	164,404	156,247	164,573	158,338
Net gain/(loss) from trading	91,788	(770)	63,632	(29,187)
Net gain/(loss) from financial investments	-	8,917	-	8,917
Net gain/(loss) from financial instruments at fair value through profit or loss	-	-	-	-
Net gain/(loss) on derecognition of financial assets measured at amortised cost	-	-	-	-
Net gain/(loss) on derecognition of financial assets measured at fair value through other comprehensive income	3,270	-	3,270	-
Other operating income (net)	208,505	150,258	208,037	134,940
Total operating income	7,394,153	6,228,608	7,455,727	6,257,977
Credit loss expense on loans and receivables	-	-	-	-
Individual impairment	-	-	-	-
Collective impairment	(229,694)	(87,316)	(229,694)	(87,316)
Credit loss expense on other finance assets	-	-	-	-
Individual impairment	-	-	-	-
Collective impairment	1,741	-	1,743	-
Net operating income	7,166,199	6,141,293	7,227,776	6,170,662
Personnel expenses	(2,341,756)	(1,752,534)	(2,350,373)	(1,759,477)
Depreciation and amortization	(137,700)	(84,444)	(137,950)	(84,607)
Other expenses	(942,754)	(899,018)	(936,247)	(893,120)
Operating profit/(loss) before Value Added Tax (VAT) and Nation Building Tax	3,743,990	3,405,297	3,803,206	3,433,457
Value Added Tax on financial services	(772,333)	(652,046)	(781,065)	(658,461)
Nation Building Tax on financial services	(102,978)	(86,939)	(104,142)	(87,794)
Operating profit/(loss) after Value Added Tax (VAT) and Nation Building Tax	2,868,678	2,666,311	2,917,999	2,687,202
Share of profits of associates and joint ventures	-	-	-	-
Profit/(loss) before tax	2,868,678	2,666,311	2,917,999	2,687,202
Income tax expenses	(1,058,843)	(896,183)	(1,075,692)	(906,831)
Profit/(loss) for the period	1,809,835	1,770,128	1,842,307	1,780,371
Profit attributable to:				
Equity holders of the Bank	1,809,835	1,770,128	1,842,307	1,780,371
Non-controlling interests	-	-	-	-
Earnings per share on profit				
Earnings per ordinary share - Basic (Rs.)	2.70	2.86	2.75	2.87
Earnings per ordinary share - Diluted (Rs.)	2.70	2.86	2.75	2.87

STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31st March	Bank		Group	
	2018 Rs. '000	2017 Rs. '000	2018 Rs. '000	2017 Rs. '000
Profit for the period	1,809,835	1,770,128	1,842,307	1,780,371
Other comprehensive income, net of taxes				
Other comprehensive income to be reclassified to Income Statement				
Net gains/(losses) on cash flow hedges	(182,022)	(1,850)	(182,022)	(1,850)
Net gains/(losses) on debt instruments at fair value through other comprehensive income	(15,089)	-	(13,843)	-
Gains/(losses) on re-measuring available-for-sale financial assets	-	(81,422)	-	(80,569)
Fair value gains transferred to the Income Statement on disposal of debt instruments at fair value through other comprehensive income	2,527	-	2,527	-
Fair value gains transferred to the Income Statement on disposal of available-for-sale financial assets	-	-	-	-
Total other comprehensive income to be reclassified to Income Statement	(194,585)	(83,272)	(193,338)	(82,419)
Other comprehensive income not to be reclassified to Income Statement				
Net gains/(losses) on revaluation of Property, Plant and Equipment	-	-	-	-
Net gains/(losses) on equity instruments at fair value through other comprehensive income	(114,577)	-	(114,577)	-
Actuarial gains/(losses) on retirement benefit plans	-	-	172	-
Total other comprehensive income not to be reclassified to Income Statement	(114,577)	-	(114,405)	-
Other comprehensive income for the period, net of taxes	(309,162)	(83,272)	(307,743)	(82,419)
Total comprehensive income for the period	1,500,674	1,686,857	1,534,563	1,697,953
Attributable to:				
Equity holders	1,500,674	1,686,857	1,534,563	1,697,953

- Explanatory Notes :-**
- There are no changes to the accounting policies and methods of computation since the publication of annual accounts for the year 2017 except the application of SLFRS - 09. The Bank has applied SLFRS - 09 effective from 01/01/2018 for the preparation of Financial Statements in replacement of LKAS-39.
 - The Bank has not restated comparative information for 2017 for financial instruments in the scope of SLFRS 09. Therefore, the comparative information for 2017 is reported under LKAS 39 and is not comparable to the information presented for 2018. Differences arising from the adoption of SLFRS 09 have been recognized directly in retained earnings as of 1 January 2018.
 - There are no material events taken place after the reporting period, which requires adjustment or disclosure in this Financial Statements.

STATEMENT OF CHANGES IN EQUITY - BANK

For the three months ended 31.03.2017	In Rupees Thousand							
	Stated Capital/Assigned Capital	Revaluation Reserve	Statutory Reserve Fund	Available for Sale Reserve	Cash Flow Hedging Reserve	Retained Earnings	Other Reserves	Total Equity
Balance as at 1st January 2017	6,200,000	3,296,565	2,522,467	1,378,818	1,850	2,379,307	16,466,570	32,245,580
Net profit for the period	-	-	-	-	-	1,770,128	-	1,770,128
Other comprehensive income net of tax	-	-	-	(81,422)	(1,850)	-	-	(83,272)
Transfers to unclaimed deposits reserve	-	-	-	-	-	-	(13,938)	(13,938)
Contribution to the Consolidated Fund - Dividend/Levy	-	-	-	-	-	(1,209,209)	-	(1,209,209)
Contribution to National Insurance Trust Fund	-	-	-	-	-	(17,701)	-	(17,701)
Transfers during the period	-	-	88,506	-	-	(88,506)	-	-
Balance as at 31st March 2017	6,200,000	3,296,565	2,610,973	1,297,396	-	2,834,019	16,452,632	32,691,588
For the three months ended 31.03.2018	Stated Capital / Assigned Capital	Revaluation Reserve	Statutory Reserve Fund	Available for Sale Reserve / Fair Value Reserve	Cash Flow Hedging Reserve	Retained Earnings	Other Reserves	Total Equity
Balance as at 1st January 2018	6,700,000	7,793,317	3,002,952	1,345,237	291,924	2,228,885	18,859,461	40,221,778
Impact of adopting SLFRS 9	-	-	-	(298,160)	-	(298,160)	-	(298,160)
Re-stated opening balance under SLFRS 9	6,700,000	7,793,317	3,002,952	1,345,237	291,924	1,930,725	18,859,461	39,923,618
Net Profit for the period	-	-	-	-	-	1,809,835	-	1,809,835
Other comprehensive income net of tax	-	-	-	-	-	-	-	(182,022)
Net change in fair value of debt instrument of Fair Value through other Comprehensive Income	-	-	-	(12,562)	-	-	-	(12,562)
Net change in fair value of equity instrument of Fair Value through other Comprehensive Income	-	-	-	(114,577)	-	-	-	(114,577)
Transfers to unclaimed deposits reserve	-	-	-	-	-	-	(18,028)	(18,028)
Contribution to the Consolidated Fund-Dividend/Levy	-	-	-	-	-	-	-	-
Contribution to National Insurance Trust Fund	-	-	-	-	-	(18,098)	-	(18,098)
Transfers during the Period	-	-	90,492	-	-	(90,492)	-	-
Balance as at 31st March 2018	6,700,000	7,793,317	3,093,444	1,218,098	109,902	3,631,970	18,841,433	41,388,166

STATEMENT OF CHANGES IN EQUITY - GROUP

For the three months ended 31.03.2017	In Rupees Thousand							
	Stated Capital/Assigned Capital	Revaluation Reserve	Statutory Reserve Fund	Available for Sale Reserve	Cash Flow Hedging Reserve	Retained Earnings	Other Reserves	Total Equity
Balance as at 1st January 2017	6,200,000	3,296,565	2,522,467	1,096,758	1,850	3,708,614	16,960,532	33,786,788
Net profit for the period	-	-	-	-	-	1,780,371	-	1,780,371
Other comprehensive income net of tax	-	-	-	(80,569)	(1,850)	-	-	(82,419)
Transfers to unclaimed deposits reserve	-	-	-	-	-	-	(13,938)	(13,938)
Contribution to the Consolidated Fund - Dividend/Levy	-	-	-	-	-	(1,210,859)	-	(1,210,859)
Contribution to National Insurance Trust Fund	-	-	-	-	-	(17,701)	6,273	(17,701)
Transfers during the period	-	-	88,506	-	-	(94,779)	-	-
Balance as at 31st March 2017	6,200,000	3,296,565	2,610,973	1,016,189	-	4,165,647	16,952,867	34,242,243
For the three months ended 31.03.2018	Stated Capital / Assigned Capital	Revaluation Reserve	Statutory Reserve Fund	Available for Sale Reserve / Fair Value Reserve	Cash Flow Hedging Reserve	Retained Earnings	Other Reserves	Total Equity
Balance as at 1st January 2018	6,700,000	7,793,317	3,002,952	1,228,420	291,924	2,805,727	19,444,122	41,266,465
Impact of adopting SLFRS 9	-	-	-	-	-	(298,232)	-	(298,232)
Re-stated opening balance under SLFRS 9	6,700,000	7,793,317	3,002,952	1,228,420	291,924	2,507,495	19,444,122	40,968,233
Net Profit for the period	-	-	-	-	-	1,842,307	-	1,842,307
Other comprehensive income net of tax	-	-	-	-	-	-	-	(181,850)
Net change in fair value of debt instrument of Fair Value through other Comprehensive Income	-	-	-	-	-	(182,022)	-	(182,022)
Net change in fair value of equity instrument of Fair Value through other Comprehensive Income	-	-	-	(11,316)	-	-	-	(11,316)
Transfers to unclaimed deposits reserve	-	-	-	(114,577)	-	-	-	(114,577)
Contribution to the Consolidated Fund-Dividend/Levy	-	-	-	-	-	-	(18,028)	(18,028)
Contribution to National Insurance Trust Fund	-	-	-	-	-	(18,098)	-	(18,098)
Transfers during the Period	-	-	90,492	-	-	(98,610)	8,118	-
Balance as at 31st March 2018	6,700,000	7,793,317	3,093,444	1,102,527	109,902	4,233,265	19,434,212	42,466,670

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

