



# NATIONAL SAVINGS BANK

## FINANCIAL STATEMENTS

(SL) AAA

For the three months ended 31st March 2021

### INCOME STATEMENT

|  | Bank              |                   | Group             |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | 2021<br>Rs. '000  | 2020<br>Rs. '000  | 2021<br>Rs. '000  | 2020<br>Rs. '000  |
| <b>For the three months ended 31st March</b>   |                   |                   |                   |                   |
| <b>Income</b>  | <b>33,044,550</b> | <b>31,198,686</b> | <b>33,474,279</b> | <b>31,837,894</b> |
| Interest income  | 32,013,756        | 31,098,379        | 32,485,755        | 31,629,053        |
| Interest expenses  | (18,608,310)      | (23,439,804)      | (18,761,180)      | (23,656,167)      |
| <b>Net interest income</b>   | <b>13,405,446</b> | <b>7,658,576</b>  | <b>13,724,575</b> | <b>7,972,887</b>  |
| Fee and commission income  | 842,425           | 301,762           | 844,821           | 304,939           |
| Fee and commission expenses  | (44,064)          | (27,442)          | (45,152)          | (29,527)          |
| <b>Net fee and commission income</b>   | <b>798,361</b>    | <b>274,320</b>    | <b>799,669</b>    | <b>275,412</b>    |
| Net gains/(losses) from trading  | 31,443            | (411,353)         | (21,335)          | (306,503)         |
| 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 | -                 | -                 | -                 | -                 |
| Net other operating income   | 156,925           | 209,898           | 165,038           | 210,405           |
| <b>Total operating income</b>  | <b>14,392,176</b> | <b>7,731,441</b>  | <b>14,667,947</b> | <b>8,152,201</b>  |
| Impairment charges   | 455,259           | (274,687)         | 524,222           | (285,148)         |
| <b>Net operating income</b>  | <b>14,847,435</b> | <b>7,456,754</b>  | <b>15,192,169</b> | <b>7,867,053</b>  |
| Personnel expenses   | (3,313,804)       | (2,547,725)       | (3,382,149)       | (2,603,049)       |
| Depreciation and amortization expenses   | (322,250)         | (277,980)         | (327,038)         | (282,155)         |
| Other expenses   | (1,123,309)       | (1,038,258)       | (1,135,842)       | (1,045,279)       |
| <b>Operating profit/(loss) before VAT on financial services</b>  | <b>10,088,071</b> | <b>3,592,791</b>  | <b>10,347,140</b> | <b>3,936,570</b>  |
| Value Added Tax (VAT) on financial services  | (1,743,788)       | (794,266)         | (1,775,804)       | (846,273)         |
| <b>Operating profit/(loss) after VAT on financial services</b>   | <b>8,344,303</b>  | <b>2,798,526</b>  | <b>8,571,336</b>  | <b>3,090,297</b>  |
| Share of profits of associates and joint ventures  | -                 | -                 | -                 | -                 |
| <b>Profit/(loss) before tax</b>  | <b>8,344,303</b>  | <b>2,798,526</b>  | <b>8,571,336</b>  | <b>3,090,297</b>  |
| Income tax expenses  | (1,628,874)       | (1,016,199)       | (1,631,398)       | (1,099,122)       |
| <b>Profit/(loss) for the period</b>  | <b>6,715,429</b>  | <b>1,782,327</b>  | <b>6,939,938</b>  | <b>1,991,175</b>  |
| <b>Profit attributable to:</b>   |                   |                   |                   |                   |
| Equity holders of the Bank   | 6,715,429         | 1,782,327         | 6,939,938         | 1,991,175         |
| Non-controlling interests  | -                 | -                 | -                 | -                 |
| <b>Earnings per share on profit</b>  |                   |                   |                   |                   |
| Basic earnings per ordinary share (Rs.)  | 7.14              | 1.90              | 7.38              | 2.12              |
| Diluted earnings per ordinary share (Rs.)  | 7.14              | 1.90              | 7.38              | 2.12              |

### STATEMENT OF COMPREHENSIVE INCOME

|  | Bank             |                    | Group            |                    |
|--|------------------|--------------------|------------------|--------------------|
|  | 2021<br>Rs. '000 | 2020<br>Rs. '000   | 2021<br>Rs. '000 | 2020<br>Rs. '000   |
| <b>For the three months ended 31st March</b>   |                  |                    |                  |                    |
| <b>Profit / (Loss) for the three months</b>  | <b>6,715,429</b> | <b>1,782,327</b>   | <b>6,939,938</b> | <b>1,991,175</b>   |
| <b>Items that will be reclassified to Income Statement</b>   |                  |                    |                  |                    |
| 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  | (51,605)         | -                  | (66,148)         | 11,940             |
| Net gains/(losses) on investment in debt instruments transferred to income statement   | -                | -                  | -                | -                  |
| Deferred tax effect on the above   | 13,676           | -                  | 13,676           | -                  |
| <b>Total other comprehensive income to be reclassified to Income Statement</b>   | <b>(37,930)</b>  | <b>-</b>           | <b>(52,473)</b>  | <b>11,940</b>      |
| <b>Items that will not be reclassified to Income Statement</b>   |                  |                    |                  |                    |
| Change in fair value on investments in equity instruments designated at fair value through other comprehensive income                                  | (6,577)          | (1,159,422)        | 3,765            | (1,209,018)        |
| 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  | -                | -                  | 273              | 130                |
| Deferred tax effect on the above   | (498,929)        | -                  | (498,929)        | -                  |
| Re-measurement of post-employment benefit obligations (net of taxes)   | (498,929)        | -                  | (498,656)        | 130                |
| Change in revaluation surplus  | -                | -                  | -                | -                  |
| Deferred tax effect on the above   | 371,032          | -                  | 371,032          | -                  |
| Changes in revaluation surplus (net of taxes)  | 371,032          | -                  | 371,032          | -                  |
| Share of profits of associates and joint ventures  | -                | -                  | -                | -                  |
| <b>Total other comprehensive income not to be reclassified to Income Statement</b>   | <b>(134,474)</b> | <b>(1,159,422)</b> | <b>(123,859)</b> | <b>(1,208,888)</b> |
| <b>Total other comprehensive income(OCI) for the period, net of taxes</b>  | <b>(172,404)</b> | <b>(1,159,422)</b> | <b>(176,332)</b> | <b>(1,196,948)</b> |
| <b>Total comprehensive income for the period</b>   | <b>6,543,025</b> | <b>622,904</b>     | <b>6,763,606</b> | <b>794,226</b>     |
| <b>Attributable to:</b>  |                  |                    |                  |                    |
| Equity holders of the Bank   | 6,543,025        | 622,904            | 6,763,606        | 794,226            |
| 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 2020.
- The comparable information is re-classified as wherever necessary to compare with the current year's classification in order to provide a better presentation.
- 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 in line 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 deferrals. 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.

#### \* Impairment Assessment

All the Corporate clients were assessed 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 their past due status. The Bank has calculated Probability of Default (PD) as at 31 March 2021 and adjusted the Economic Factor 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.

The portfolio level impairment assessment was carried out for the individual borrowers. However, in some scenario's management judgement 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.

#### 4 Income and Deferred Tax

Income Tax and deferred tax Provision were made at the rate of 28% as at 31st December 2020. However, as per the guideline issued on 23rd April 2021 by the CASL, the applicable tax rate for the year 2020/21 has been revised to 24%. Accordingly, a sum of Rs. 771 Mn has been revised to the income tax and deferred tax in Income Statement to the quarter ended 31.03.2021.

### STATEMENT OF FINANCIAL POSITION

|  | Bank                            |  | Group                           |  |
|--|---------------------------------|--|---------------------------------|--|
|  | As at<br>31.03.2021<br>Rs. '000 | As at<br>31.12.2020<br>Rs. '000<br>(Audited) | As at<br>31.03.2021<br>Rs. '000 | As at<br>31.12.2020<br>Rs. '000<br>(Audited) |
| <b>Assets</b>  |                                 |  |                                 |  |
| Cash and cash equivalents  | 6,881,791                       | 6,491,963                                    | 6,986,876                       | 6,598,595                                    |
| Balances with central banks  | -                               | -  | 14                              | 6  |
| Placements with banks  | 15,696,575                      | 13,253,499                                   | 19,192,089                      | 17,456,660                                   |
| Derivative financial instruments   | -                               | 19,897                                       | -                               | 19,897                                       |
| Financial assets recognized through profit or loss measured at fair value designated at fair value | 14,391,866                      | 11,221,746                                   | 29,855,515                      | 23,617,944                                   |
| Financial assets at amortised cost   | -                               | -  | -                               | -  |
| Loans and Advances   | 495,323,911                     | 516,795,160                                  | 496,010,591                     | 517,833,067                                  |
| Debt and other instruments   | 844,201,182                     | 754,233,344                                  | 847,980,657                     | 758,594,934                                  |
| Financial assets measured at fair value through other comprehensive income                         | 15,223,182                      | 15,271,822                                   | 16,214,097                      | 16,059,841                                   |
| Investments in subsidiaries  | 4,811,000                       | 4,811,000                                    | -                               | -  |
| Investments in associates and joint ventures   | -                               | -  | -                               | -  |
| Property, plant and equipment  | 15,300,015                      | 15,315,772                                   | 16,194,402                      | 16,197,837                                   |
| Right of use assets  | 1,205,546                       | 1,226,183                                    | 1,248,003                       | 1,271,525                                    |
| Investment properties  | 10,885,085                      | 10,885,085                                   | 10,917,550                      | 10,916,429                                   |
| Goodwill and intangible assets   | 674,150                         | 687,961                                      | 679,959                         | 694,160                                      |
| Deferred tax assets  | 1,100,662                       | 1,446,249                                    | 1,100,662                       | 1,446,249                                    |
| Other assets   | 28,101,003                      | 23,033,780                                   | 28,260,356                      | 23,192,936                                   |
| <b>Total assets</b>  | <b>1,442,910,883</b>            | <b>1,363,808,376</b>                         | <b>1,463,960,296</b>            | <b>1,383,220,728</b>                         |
| <b>Liabilities</b>   |                                 |  |                                 |  |
| Due to banks   | 17,484,534                      | 12,862,337                                   | 16,576,450                      | 13,339,705                                   |
| Derivative financial instruments   | -                               | -  | -                               | -  |
| Financial liabilities recognized through profit or loss  | -                               | -  | -                               | -  |
| Financial liabilities at amortised cost  | -                               | -  | -                               | -  |
| due to depositors  | 1,301,623,248                   | 1,237,123,791                                | 1,301,637,861                   | 1,237,669,284                                |
| due to debt securities holders   | -                               | -  | -                               | -  |
| due to other borrowers   | 7,939,019                       | 8,159,591                                    | 22,867,021                      | 19,656,090                                   |
| Lease liability  | 1,252,426                       | 1,274,713                                    | 1,296,622                       | 1,320,877                                    |
| Debt securities issued   | 32,623,404                      | 31,773,753                                   | 32,712,962                      | 31,908,279                                   |
| Retirement benefit obligations   | 10,885,085                      | 10,885,085                                   | 10,917,550                      | 10,916,429                                   |
| Current tax liabilities  | 4,526,152                       | 3,128,643                                    | 4,989,644                       | 3,705,537                                    |
| Deferred tax liabilities   | -                               | -  | 2,504                           | 1,121  |
| Other provisions   | -                               | -  | -                               | -  |
| Other liabilities  | 8,232,243                       | 6,699,216                                    | 8,845,910                       | 7,253,989                                    |
| Due to subsidiaries  | 3,500                           | 3,750  | -                               | -  |
| <b>Total liabilities</b>   | <b>1,384,569,610</b>            | <b>1,311,910,879</b>                         | <b>1,399,846,523</b>            | <b>1,325,771,311</b>                         |
| <b>Equity</b>  |                                 |  |                                 |  |
| Stated capital/Assigned capital  | 9,400,000                       | 9,400,000                                    | 9,400,000                       | 9,400,000                                    |
| Statutory reserve fund   | 4,404,039                       | 4,068,268                                    | 4,432,019                       | 4,090,363                                    |
| OCI reserve  | (479,435)                       | (434,929)                                    | (460,494)                       | (411,786)                                    |
| Retained earnings  | 17,696,742                      | 11,883,168                                   | 22,090,955                      | 16,085,184                                   |
| Other reserves   | 27,319,927                      | 26,980,990                                   | 28,651,293                      | 28,285,656                                   |
| Total shareholders' equity   | 58,341,273                      | 51,897,497                                   | 64,113,773                      | 57,449,417                                   |
| Non-controlling interests  | -                               | -  | -                               | -  |
| <b>Total equity</b>  | <b>58,341,273</b>               | <b>51,897,497</b>                            | <b>64,113,773</b>               | <b>57,449,417</b>                            |
| <b>Total equity and liabilities</b>  | <b>1,442,910,883</b>            | <b>1,363,808,376</b>                         | <b>1,463,960,296</b>            | <b>1,383,220,728</b>                         |
| <b>Contingent liabilities and commitments</b>  | <b>15,976,608</b>               | <b>23,787,099</b>                            | <b>15,503,028</b>               | <b>23,850,325</b>                            |
| <b>Memorandum Information</b>  |                                 |  |                                 |  |
| Number of Employees  | 4,627                           | 4,641  | -                               | -  |
| Number of Branches   | 260                             | 259  | -                               | -  |

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

### STATEMENT OF CHANGES IN EQUITY - BANK

| For the three months ended 31.03.2020  | Stated Capital/ Assigned Capital | Statutory Reserve Fund | Revaluation Reserve | OCI Reserve      | Cash Flow Hedging Reserve | Retained Earnings | Other Reserves    | Total Equity      |
|--|----------------------------------|------------------------|---------------------|------------------|---------------------------|-------------------|-------------------|-------------------|
| <b>Balance as at 1st January 2020</b>  | <b>9,400,000</b>                 | <b>3,562,872</b>       | <b>5,611,188</b>    | <b>318,006</b>   | -                         | <b>8,194,507</b>  | <b>18,838,685</b> | <b>45,925,261</b> |
| <b>Total comprehensive income for the period</b>   | -                                | -                      | -                   | -                | -                         | 1,782,327         | -                 | 1,782,327         |
| Net profit for the period  | -                                | -                      | -                   | -                | -                         | -                 | -                 | -                 |
| Other comprehensive income net of tax  | -                                | -                      | -                   | -                | -                         | -                 | -                 | -                 |
| Net change in fair value of debt instrument of Fair Value through Other Comprehensive Income   | -                                | -                      | -                   | -                | -                         | -                 | -                 | -                 |
| Net change in fair value of equity instrument of Fair Value through Other Comprehensive Income | -                                | -                      | -                   | (1,159,422)      | -                         | -                 | -                 | (1,159,422)       |
| <b>Total comprehensive income for the period</b>   | -                                | -                      | -                   | (1,159,422)      | -                         | 1,782,327         | -                 | 622,904           |
| <b>Transactions with equity holders, recognised directly in equity</b>                         |                                  |                        |                     |                  |                           |                   |                   |                   |
| Transfers to unclaimed deposits reserve  | -                                | -                      | -                   | -                | -                         | -                 | (18,421)          | (18,421)          |
| Contribution to the consolidated fund-Dividend/Levy  | -                                | -                      | -                   | -                | -                         | (1,000,000)       | -                 | (1,000,000)       |
| Contribution to national insurance trust fund  | -                                | -                      | -                   | -                | -                         | (17,823)          | -                 | (17,823)          |
| Transfers during the Period  | -                                | 89,116                 | -                   | -                | -                         | (89,116)          | -                 | -                 |
| <b>Total transactions with equity holders</b>  | -                                | 89,116                 | -                   | -                | -                         | (1,106,940)       | (18,421)          | (1,036,244)       |
| <b>Balance as at 31.03.2020</b>  | <b>9,400,000</b>                 | <b>3,651,988</b>       | <b>5,611,188</b>    | <b>(841,416)</b> | -                         | <b>8,869,894</b>  | <b>18,820,264</b> | <b>45,511,920</b> |
| For the three months ended 31.03.2021  | Stated Capital/Assigned Capital  | Statutory Reserve Fund | Revaluation Reserve | OCI Reserve      | Cash Flow Hedging Reserve | Retained Earnings | Other Reserves    | Total Equity      |
| <b>Balance as at 1st January 2021</b>  | <b>9,400,000</b>                 | <b>4,068,268</b>       | <b>6,678,568</b>    | <b>(434,929)</b> | -                         | <b>11,883,168</b> | <b>20,302,421</b> | <b>51,897,497</b> |
| <b>Total comprehensive income for the period</b>   | -                                | -                      | -                   | -                | -                         | 6,715,429         | -                 | 6,715,429         |
| Net profit for the period  | -                                | -                      | -                   | -                | -                         | (498,929)         | -                 | (498,929)         |
| Other comprehensive income net of tax  | -                                | -                      | -                   | -                | -                         | -                 | -                 | -                 |
| Net change in fair value of debt instrument of Fair Value through Other Comprehensive Income   | -                                | -                      | -                   | (37,930)         | -                         | -                 | -                 | (37,930)          |
| Net change in fair value of equity instrument of Fair Value through Other Comprehensive Income | -                                | -                      | -                   | (6,577)          | -                         | -                 | -                 | (6,577)           |
| Net change in Revaluation Reserve  | -                                | -                      | 371,032             | -                | -                         | -                 | -                 | 371,032           |
| <b>Total comprehensive income for the period</b>   | -                                | -                      | 371,032             | (44,506)         | -                         | 6,216,500         | -                 | 6,543,025         |
| <b>Transactions with equity holders, recognised directly in equity</b>                         |                                  |                        |                     |                  |                           |                   |                   |                   |
| Transfers to unclaimed deposits reserve  | -                                | -                      | -                   | -                | -                         | -                 | (32,094)          | (32,094)          |
| Contribution to the consolidated fund-Dividend/Levy  | -                                | -                      | -                   | -                | -                         | -                 | -                 | -                 |
| Contribution to national insurance trust fund  | -                                | -                      | -                   | -                | -                         | (67,154)          | -                 | (67,154)          |
| Transfers during the Period  | -                                | 335,771                | -                   | -                | -                         | (335,771)         | -                 | -                 |
| <b>Total transactions with equity holders</b>  | -                                | 335,771                | -                   | -                | -                         | (402,926)         | (32,094)          | (99,248)          |
| <b>Balance as at 31.03.2021</b>  | <b>9,400,000</b>                 | <                      |                     |                  |                           |                   |                   |                   |



# NATIONAL SAVINGS BANK

## FINANCIAL STATEMENTS

For the three months ended 31<sup>st</sup> March 2021

(SL)AAA

### ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

| a. Bank - as at 31.03.2021                  |                      |                   |                   |                      |
|---|----------------------|-------------------|-------------------|----------------------|
| In Rupees Thousand                          | AC                   | FVPL              | FVOCI             | Total                |
| <b>ASSETS</b>                               |                      |                   |                   |                      |
| Cash and cash equivalents                   | 6,881,791            | -                 | -                 | 6,881,791            |
| Balances with Central Bank                  | -                    | -                 | -                 | -                    |
| Placements with banks                       | 15,696,575           | -                 | -                 | 15,696,575           |
| Derivative financial instruments            | -                    | -                 | -                 | -                    |
| Loans and advances                          | 495,323,911          | -                 | -                 | 495,323,911          |
| Debt instruments                            | 844,201,182          | 12,643,972        | 12,459,811        | 869,304,965          |
| Equity instruments                          | -                    | 1,747,894         | 2,763,371         | 4,511,265            |
| <b>Total financial assets</b>               | <b>1,362,103,459</b> | <b>14,391,866</b> | <b>15,223,182</b> | <b>1,391,718,507</b> |
| <b>LIABILITIES</b>                          |                      |                   |                   |                      |
| Due to banks                                | -                    | 17,484,534        | -                 | 17,484,534           |
| Derivative financial instruments            | -                    | -                 | -                 | -                    |
| Financial liabilities                       | -                    | -                 | -                 | -                    |
| - due to depositors                         | -                    | 1,301,623,248     | -                 | 1,301,623,248        |
| - due to debt securities holders            | -                    | -                 | -                 | -                    |
| - due to other borrowers                    | -                    | 7,939,019         | -                 | 7,939,019            |
| Debt securities issued                      | -                    | 32,623,404        | -                 | 32,623,404           |
| <b>Total financial liabilities</b>          | <b>1,359,670,205</b> | <b>-</b>          | <b>-</b>          | <b>1,359,670,205</b> |
| <b>b. Bank - as at 31.12.2020 - Audited</b> |                      |                   |                   |                      |
| In Rupees Thousand                          | AC                   | FVPL              | FVOCI             | Total                |
| <b>ASSETS</b>                               |                      |                   |                   |                      |
| Cash and cash equivalents                   | 6,491,963            | -                 | -                 | 6,491,963            |
| Balances with Central Bank                  | -                    | -                 | -                 | -                    |
| Placements with banks                       | 13,253,499           | -                 | -                 | 13,253,499           |
| Derivative financial instruments            | -                    | 19,897            | -                 | 19,897               |
| Loans and advances                          | 516,795,160          | -                 | -                 | 516,795,160          |
| Debt instruments                            | 754,233,344          | 9,545,998         | 12,501,874        | 776,281,216          |
| Equity instruments                          | -                    | 1,675,748         | 2,769,948         | 4,445,696            |
| <b>Total financial assets</b>               | <b>1,290,773,967</b> | <b>11,241,643</b> | <b>15,271,822</b> | <b>1,317,287,432</b> |
| <b>LIABILITIES</b>                          |                      |                   |                   |                      |
| Due to banks                                | -                    | 12,862,337        | -                 | 12,862,337           |
| Derivative financial instruments            | -                    | -                 | -                 | -                    |
| Financial liabilities                       | -                    | -                 | -                 | -                    |
| - due to depositors                         | -                    | 1,237,123,791     | -                 | 1,237,123,791        |
| - due to debt securities holders            | -                    | -                 | -                 | -                    |
| - due to other borrowers                    | -                    | 8,159,591         | -                 | 8,159,591            |
| Debt securities issued                      | -                    | 31,773,753        | -                 | 31,773,753           |
| <b>Total financial liabilities</b>          | <b>1,289,919,472</b> | <b>-</b>          | <b>-</b>          | <b>1,289,919,472</b> |

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 AS AT 31.03.2021

| In Rupees Thousand                            | Bank               |                            | Group              |                            |
|---|--------------------|----------------------------|--------------------|----------------------------|
|   | As at 31.03.2021   | As at 31.12.2020 (Audited) | As at 31.03.2021   | As at 31.12.2020 (Audited) |
| <b>Product-wise Gross loans and advances</b>  |                    |                            |                    |                            |
| <b>By product - Domestic currency</b>         |                    |                            |                    |                            |
| Lease rental and hire purchase receivable     | -                  | -                          | 458,074            | 521,293                    |
| Term loans                                    | 434,422,188        | 457,873,876                | 437,141,737        | 460,813,371                |
| Pawning                                       | 45,406,239         | 42,398,950                 | 45,450,751         | 42,437,557                 |
| <b>Other loans</b>                            |                    |                            |                    |                            |
| Loan to Government                            | 2,030,000          | 2,075,000                  | 2,030,000          | 2,075,000                  |
| Securities purchased under resale agreements  | 5,750,535          | 6,723,807                  | 4,599,516          | 5,692,995                  |
| Staff loans                                   | 12,036,978         | 11,330,749                 | 12,158,542         | 11,479,896                 |
| <b>Sub Total</b>                              | <b>499,645,940</b> | <b>520,402,382</b>         | <b>501,838,620</b> | <b>523,020,112</b>         |
| <b>By product - Foreign currency</b>          |                    |                            |                    |                            |
| Term loans                                    | 3,986,566          | 5,384,601                  | 3,986,566          | 5,384,601                  |
| <b>Gross loans and advances</b>               | <b>503,632,506</b> | <b>525,786,983</b>         | <b>505,825,186</b> | <b>528,404,713</b>         |
| <b>Gross loans &amp; advances</b>             |                    |                            |                    |                            |
| Less: Accumulated impairment under stage 1    | (2,790,455)        | (2,948,093)                | (2,904,321)        | (3,059,041)                |
| Accumulated impairment under stage 2          | (645,032)          | (897,811)                  | (671,563)          | (973,686)                  |
| Accumulated impairment under stage 3          | (4,873,108)        | (5,145,919)                | (6,238,711)        | (6,538,919)                |
| <b>Net value of loans &amp; advances</b>      | <b>495,323,911</b> | <b>516,795,160</b>         | <b>496,010,591</b> | <b>517,833,067</b>         |
| <b>Movement of Impairment during the year</b> |                    |                            |                    |                            |
| <b>Under Stage 1</b>                          |                    |                            |                    |                            |
| Opening balance                               | 2,948,093          | 1,601,273                  | 3,059,041          | 1,707,088                  |
| Charge/(Write back) to Income Statement       | (157,638)          | 1,346,820                  | (154,720)          | 1,351,953                  |
| <b>Closing balance</b>                        | <b>2,790,455</b>   | <b>2,948,093</b>           | <b>2,904,321</b>   | <b>3,059,041</b>           |
| <b>Under Stage 2</b>                          |                    |                            |                    |                            |
| Opening balance                               | 897,811            | 271,001                    | 973,686            | 314,032                    |
| Charge/(Write back) to Income Statement       | (252,779)          | 626,810                    | (302,123)          | 659,654                    |
| <b>Closing balance</b>                        | <b>645,032</b>     | <b>897,811</b>             | <b>671,563</b>     | <b>973,686</b>             |
| <b>Under Stage 3</b>                          |                    |                            |                    |                            |
| Opening balance                               | 5,145,919          | 2,394,667                  | 6,538,919          | 3,783,076                  |
| Charge/(Write back) to Income Statement       | (262,498)          | 2,763,609                  | (286,456)          | 2,783,032                  |
| Write-off during the period                   | (10,312)           | (12,358)                   | (10,312)           | (12,358)                   |
| Other movements                               | -                  | -                          | (3,439)            | (14,831)                   |
| <b>Closing balance</b>                        | <b>4,873,108</b>   | <b>5,145,919</b>           | <b>6,238,711</b>   | <b>6,538,919</b>           |
| <b>Total Impairment</b>                       | <b>8,308,596</b>   | <b>8,991,823</b>           | <b>9,814,595</b>   | <b>10,571,646</b>          |

### ANALYSIS OF DEPOSITS AS AT 31.03.2021

| In Rupees Thousand                    | Bank                 |                            | Group                |                            |
|---------------------------------------|----------------------|----------------------------|----------------------|----------------------------|
|                                       | As at 31.03.2021     | As at 31.12.2020 (Audited) | As at 31.03.2021     | As at 31.12.2020 (Audited) |
| <b>By product - Domestic currency</b> |                      |                            |                      |                            |
| Demand deposits (current accounts)    | -                    | -                          | -                    | -                          |
| Savings deposits                      | 290,609,455          | 275,839,097                | 291,143,096          | 276,462,872                |
| Fixed deposits                        | 994,459,532          | 945,650,094                | 993,940,504          | 945,571,812                |
| <b>Sub Total</b>                      | <b>1,285,068,987</b> | <b>1,221,489,191</b>       | <b>1,285,083,600</b> | <b>1,222,034,684</b>       |
| <b>By product - Foreign currency</b>  |                      |                            |                      |                            |
| Demand deposits (current accounts)    | -                    | -                          | -                    | -                          |
| Savings deposits                      | 4,584,155            | 4,193,979                  | 4,584,155            | 4,193,979                  |
| Fixed deposits                        | 11,970,105           | 11,440,621                 | 11,970,105           | 11,440,621                 |
| <b>Sub total</b>                      | <b>16,554,261</b>    | <b>15,634,600</b>          | <b>16,554,261</b>    | <b>15,634,600</b>          |
| <b>Total</b>                          | <b>1,301,623,248</b> | <b>1,237,123,791</b>       | <b>1,301,637,861</b> | <b>1,237,669,284</b>       |

### ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

| c. Group - as at 31.03.2021                |                      |                   |                   |                      |
|--|----------------------|-------------------|-------------------|----------------------|
| In Rupees Thousand                         | AC                   | FVPL              | FVOCI             | Total                |
| <b>ASSETS</b>                              |                      |                   |                   |                      |
| Cash and cash equivalents                  | 6,986,876            | -                 | -                 | 6,986,876            |
| Balances with Central Bank                 | 14                   | -                 | -                 | 14                   |
| Placements with banks                      | 19,192,089           | -                 | -                 | 19,192,089           |
| Derivative financial instruments           | -                    | -                 | -                 | -                    |
| Loans and advances                         | 496,010,591          | -                 | -                 | 496,010,591          |
| Debt instruments                           | 847,980,657          | 28,107,621        | 13,300,373        | 889,388,752          |
| Equity instruments                         | -                    | 1,747,894         | 2,913,724         | 4,661,618            |
| <b>Total financial assets</b>              | <b>1,370,170,227</b> | <b>29,855,515</b> | <b>16,214,097</b> | <b>1,416,239,940</b> |
| <b>LIABILITIES</b>                         |                      |                   |                   |                      |
| Due to banks                               | -                    | 16,576,450        | -                 | 16,576,450           |
| Derivative financial instruments           | -                    | -                 | -                 | -                    |
| Financial liabilities                      | -                    | -                 | -                 | -                    |
| - due to depositors                        | -                    | 1,301,637,861     | -                 | 1,301,637,861        |
| - due to debt securities holders           | -                    | -                 | -                 | -                    |
| - due to other borrowers                   | -                    | 22,867,021        | -                 | 22,867,021           |
| Debt securities issued                     | -                    | 32,712,962        | -                 | 32,712,962           |
| <b>Total financial liabilities</b>         | <b>1,373,794,295</b> | <b>-</b>          | <b>-</b>          | <b>1,373,794,295</b> |
| <b>d. Group - as at 31.12.2020 Audited</b> |                      |                   |                   |                      |
| In Rupees Thousand                         | AC                   | FVPL              | FVOCI             | Total                |
| <b>ASSETS</b>                              |                      |                   |                   |                      |
| Cash and cash equivalents                  | 6,598,595            | -                 | -                 | 6,598,595            |
| Balances with Central Bank                 | 6                    | -                 | -                 | 6                    |
| Placements with banks                      | 17,456,660           | -                 | -                 | 17,456,660           |
| Derivative financial instruments           | -                    | 19,897            | -                 | 19,897               |
| Loans and advances                         | 517,833,067          | -                 | -                 | 517,833,067          |
| Debt instruments                           | 758,594,934          | 21,638,390        | 13,149,882        | 793,383,206          |
| Equity instruments                         | -                    | 1,979,554         | 2,909,959         | 4,889,513            |
| <b>Total financial assets</b>              | <b>1,300,483,262</b> | <b>23,637,841</b> | <b>16,059,841</b> | <b>1,340,180,943</b> |
| <b>LIABILITIES</b>                         |                      |                   |                   |                      |
| Due to banks                               | -                    | 13,339,705        | -                 | 13,339,705           |
| Derivative financial instruments           | -                    | -                 | -                 | -                    |
| Financial liabilities                      | -                    | -                 | -                 | -                    |
| - due to depositors                        | -                    | 1,237,669,284     | -                 | 1,237,669,284        |
| - due to debt securities holders           | -                    | -                 | -                 | -                    |
| - due to other borrowers                   | -                    | 19,656,090        | -                 | 19,656,090           |
| Debt securities issued                     | -                    | 31,908,279        | -                 | 31,908,279           |
| <b>Total financial liabilities</b>         | <b>1,302,573,358</b> | <b>-</b>          | <b>-</b>          | <b>1,302,573,358</b> |

### CASH FLOW STATEMENT

| For the three months ended March 31   | Bank                |                     | Group               |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | 2021 Rs. '000       | 2020 Rs. '000       | 2021 Rs. '000       | 2020 Rs. '000       |
| <b>Cash flows from operating activities</b>   |                     |                     |                     |                     |
| Interest receipts   | 38,468,453          | 36,728,004          | 38,909,052          | 37,202,116          |
| Interest payments   | (18,631,477)        | (20,864,700)        | (18,767,275)        | (21,076,910)        |
| Net commission receipts   | 798,361             | 274,320             | 799,668             | 275,412             |
| Trading income  | 188,616             | 133,675             | 205,027             | 177,696             |
| Payment to employees  | (2,154,241)         | (2,165,330)         | (2,206,848)         | (2,230,675)         |
| VAT on financial services   | (1,633,806)         | (1,027,859)         | (1,670,988)         | (1,058,566)         |
| Receipts from other operating activities  | (1,021)             | 43,230              | (3,916)             | 42,302              |
| Payment on other operating activities   | (1,048,027)         | (955,274)           | (1,058,177)         | (978,810)           |
| <b>Operating profit before change in operating assets &amp; liabilities</b>                     | <b>15,986,858</b>   | <b>12,166,065</b>   | <b>16,206,543</b>   | <b>12,352,564</b>   |
| <b>(Increase) / decrease in operating assets</b>  |                     |                     |                     |                     |
| Placement with banks  | (2,410,224)         | (3,079,841)         | (1,868,340)         | (3,261,557)         |
| Derivative financial instruments  | 20,265              | (4,638)             | 20,265              | (4,638)             |
| Financial assets at FVPL  | (3,051,702)         | 4,643,882           | (6,092,838)         | 2,036,004           |
| Financial assets at amortised cost - loans & advances   | (39,918,046)        | (13,534,065)        | (39,504,690)        | (10,015,010)        |
| Financial assets at amortised cost - Debt & Other Instrument                                    | (35,056,493)        | (32,681,111)        | (34,356,804)        | (32,682,512)        |
| Proceeds from the sale and maturity of financial investments                                    | -                   | -                   | -                   | -                   |
| Other assets  | (5,190,176)         | (2,916,449)         | (5,179,364)         | (2,925,759)         |
| <b>Increase/(decrease) in operating liabilities</b>   | <b>(85,606,376)</b> | <b>(47,572,221)</b> | <b>(86,981,771)</b> | <b>(46,853,472)</b> |
| Due to bank   | 4,451,692           | (739,908)           | 3,036,753           | (582,668)           |
| Derivative financial instruments  | -                   | -                   | -                   | -                   |
| Financial liabilities at amortised cost-due to depositors                                       | 65,434,153          | 41,679,554          | 64,906,095          | 41,949,643          |
| Financial liabilities at amortised cost-due to debt securities holders                          | -                   | -                   | -                   | -                   |
| Financial liabilities at amortised cost-due to other borrowers                                  | (218,156)           | (4,121,489)         | 3,218,097           | (4,470,340)         |
| Debt securities issued  | 25,626              | (200,877)           | 25,626              | (200,877)           |
| Other liabilities   | 450,657             | 3,309,328           | 496,252             | 2,311,534           |
| <b>Net cash generated from operating activities before income tax</b>                           | <b>524,454</b>      | <b>4,520,459</b>    | <b>907,594</b>      | <b>4,506,385</b>    |
| Income tax paid   | -                   | (1,009,610)         | (114,544)           | (1,136,364)         |
| <b>Net cash (used in)/from operating activities</b>   | <b>524,454</b>      | <b>3,510,843</b>    | <b>793,050</b>      | <b>3,370,021</b>    |
| <b>Cash flows from investing activities</b>   |                     |                     |                     |                     |
| Purchase of property, plant and equipment   | (158,448)           | (317,801)           | (172,283)           | (317,801)           |
| Proceeds from the sale of property, plant and equipment   | 2,482               | 900                 | 2,482               | 900                 |
| Net (increase)/decrease in finance instruments at fair value through other comprehensive income | -                   | -                   | (216,177)           | 6,507               |
| Net Purchase / improvements to Investment Properties  | -                   | -                   | -                   | -                   |
| Proceeds from the sale and maturity of financial investments                                    | -                   | -                   | -                   | -                   |
| Net purchase of intangible assets   | (59,110)            | -                   | (59,110)            | -                   |
| Net cash flow from acquisition of investment in subsidiaries and associates                     | -                   | -                   | -                   | -                   |
| Dividends received from investment in subsidiaries and associates                               | -                   | -                   | -                   | -                   |
| <b>Net cash (used in)/from investing activities</b>   | <b>(215,075)</b>    | <b>(316,901)</b>    | <b>(445,087)</b>    | <b>(310,394)</b>    |
| <b>Cash flows from financing activities</b>   |                     |                     |                     |                     |
| Net proceeds from the issue of ordinary share capital   | -                   | -                   | -                   | -                   |
| Net proceeds from the issue of subordinated debt  | -                   | -                   | (32,140)            | -                   |
| Repayment of subordinated debt  | -                   | -                   | (12,828)            | -                   |
| Interest paid on subordinated debt  | -                   | (1,000,000)         | -                   | (1,000,000)         |
| Contribution to consolidated fund-dividend/levy   | -                   | -                   | -                   | -                   |
| <b>Net cash from financing activities</b>   | <b>-</b>            | <b>(1,000,000)</b>  | <b>(44,968)</b>     | <b>(1,000,000)</b>  |
| <b>Net increase/(decrease) in cash &amp; equivalents</b>  | <b>309,378</b>      | <b>2,193,942</b>    | <b>302,994</b>      | <b>2,059,627</b>    |
| Cash and cash equivalents at the beginning of the year  | 6,174,060           | 5,293,907           | 6,280,307           | 5,482,007           |
| Exchange difference in respect of cash & cash equivalent  | -                   | -                   | -                   | -                   |
| <b>Cash and cash equivalents at the end of the Period</b>                                       | <b>6,483,438</b>    | <b>7,487,849</b>    | <b>6,583,301</b>    | <b>7,541,634</b>    |

### SELECTED PERFORMANCE INDICATORS (AS PER REGULATORY REPORTING)

| Item   | Bank             |                  | Group            |                  |
|--|------------------|------------------|------------------|------------------|
|  | As at 31.03.2021 | As at 31.12.2020 | As at 31.03.2021 | As at 31.12.2020 |
| <b>Regulatory Capital Adequacy (LKR in Thousand)</b> |                  |                  |                  |                  |
| Common Equity Tier 1                                 | 36,934,411       | 37,227,074       | 42,885,502       | 43,189,629       |
| Core (Tier 1) Capital                                | 41,934,411       | 42,227,074       | 47,885,502       | 48,189,6         |