



# NATIONAL SAVINGS BANK

## INTERIM FINANCIAL STATEMENT

### For the six months ended 30<sup>th</sup> June 2021

(SL) AAA

#### INCOME STATEMENT

For the six months ended 30 <sup>th</sup> June	Bank		Group	
	2021 Rs. '000	2020 Rs. '000	2021 Rs. '000	2020 Rs. '000
<b>Income</b>	<b>65,802,458</b>	<b>60,186,922</b>	<b>66,408,477</b>	<b>61,761,497</b>
Interest income	64,113,194	59,095,387	65,032,725	60,129,115
Interest expenses	(37,946,633)	(46,733,504)	(38,263,066)	(47,162,085)
<b>Net interest income</b>	<b>26,166,561</b>	<b>12,361,883</b>	<b>26,769,659</b>	<b>12,967,030</b>
Fee and commission income	1,376,768	534,220	1,381,521	540,038
Fee and commission expenses	(90,439)	(67,202)	(92,042)	(70,973)
<b>Net fee and commission income</b>	<b>1,286,329</b>	<b>467,018</b>	<b>1,289,479</b>	<b>469,065</b>
Net gains/(losses) from trading	(172,872)	370,776	(251,295)	900,204
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	16,985	8,640	16,985	8,640
Net other operating income	468,383	177,900	228,541	183,501
<b>Total operating income</b>	<b>27,765,386</b>	<b>13,386,217</b>	<b>28,053,369</b>	<b>14,528,440</b>
Impairment charges	(1,396,520)	(2,253,238)	(1,353,125)	(2,301,149)
<b>Net operating income</b>	<b>26,368,866</b>	<b>11,132,979</b>	<b>26,700,244</b>	<b>12,227,291</b>
Personnel expenses	(6,594,275)	(5,045,266)	(6,724,536)	(5,151,282)
Depreciation and amortization expenses	(652,837)	(561,550)	(661,051)	(569,798)
Other expenses	(2,205,414)	(2,099,405)	(2,231,013)	(2,116,491)
<b>Operating profit/(loss) before VAT on financial services</b>	<b>16,916,339</b>	<b>3,426,757</b>	<b>17,083,643</b>	<b>4,389,719</b>
Value Added Tax (VAT) on financial services	(3,056,363)	(1,085,925)	(3,126,958)	(1,220,533)
<b>Operating profit/(loss) after VAT on financial services</b>	<b>13,859,976</b>	<b>2,340,832</b>	<b>13,956,685</b>	<b>3,169,186</b>
Share of profits of associates and joint ventures	-	-	-	-
<b>Profit/(loss) before tax</b>	<b>13,859,976</b>	<b>2,340,832</b>	<b>13,956,685</b>	<b>3,169,186</b>
Income tax expenses	(2,848,472)	(1,284,771)	(2,888,182)	(1,516,055)
<b>Profit/(loss) for the period</b>	<b>11,011,504</b>	<b>1,056,061</b>	<b>11,068,503</b>	<b>1,653,131</b>
<b>Profit attributable to:</b>				
Equity holders of the Bank	11,011,504	1,056,061	11,068,503	1,653,131
Non-controlling interests	-	-	-	-
<b>Earnings per share on profit</b>				
Basic earnings per ordinary share (Rs.)	11.71	1.12	11.78	1.76
Diluted earnings per ordinary share (Rs.)	11.71	1.12	11.78	1.76

#### STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 <sup>th</sup> June	Bank		Group	
	2021 Rs. '000	2020 Rs. '000	2021 Rs. '000	2020 Rs. '000
<b>Profit / (Loss) for the period</b>	<b>11,011,504</b>	<b>1,056,061</b>	<b>11,068,503</b>	<b>1,653,131</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	(52,201)	310,832	(75,993)	375,744
Net gains/(losses) on investment in debt instruments transferred to income statement	(16,985)	(8,640)	(16,985)	(8,640)
Deferred tax effect on the above	17,895	-	17,895	-
<b>Total other comprehensive income to be reclassified to Income Statement</b>	<b>(51,291)</b>	<b>302,192</b>	<b>(75,083)</b>	<b>367,104</b>
<b>Items that will not to be reclassified to Income Statement</b>				
Change in fair value on investments in equity instruments designated at fair value through other comprehensive income	155,779	(953,831)	189,866	(968,067)
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	-	-	(811)	(1,143)
Deferred Tax effect on the above	(498,929)	-	(498,929)	-
Re-measurement of post-employment benefit obligations (net of taxes)	(498,929)	-	(499,740)	(1,143)
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>27,881</b>	<b>(953,831)</b>	<b>61,157</b>	<b>(969,210)</b>
<b>Total other comprehensive income (OCI) for the period, net of taxes</b>	<b>(23,410)</b>	<b>(651,639)</b>	<b>(13,926)</b>	<b>(602,106)</b>
<b>Total comprehensive income for the period</b>	<b>10,988,094</b>	<b>404,422</b>	<b>11,054,577</b>	<b>1,051,025</b>
<b>Attributable to:</b>				
Equity holders of the Bank	10,988,094	404,422	11,054,577	1,051,025
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 COVID-19**  
The outbreak of Covid-19 has caused disruption to business and economic activities and uncertainty to global and local economy. The bank has strictly adhered to the guideline and direction issued by both government and Central Bank of Sri Lanka (CBSL) when conducting its business operation at the outbreak of Covid-19 in Sri Lanka. Accordingly, the Bank has provided relief for the affected business and individuals inline with the direction issued by CBSL.  
**\* Debt Moratorium and Deferment Impact**  
The bank has given its debt moratorium and payment deferral 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.

#### STATEMENT OF FINANCIAL POSITION

	Bank		Group	
	As at 30.06.2021 Rs. '000	As at 31.12.2020 Rs. '000 (Audited)	As at 30.06.2021 Rs. '000	As at 31.12.2020 Rs. '000 (Audited)
<b>Assets</b>				
Cash and cash equivalents	8,598,663	6,491,963	8,635,481	6,598,595
Balances with Central Bank	-	-	884	6
Placements with banks	13,396,177	13,253,499	16,166,466	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	10,505,764	11,221,746	21,303,139	23,617,944
Financial assets at amortised cost				
Loans and Advances	504,108,271	516,795,160	506,758,584	517,833,067
Debt and other instruments	883,261,695	754,233,344	887,281,289	758,594,934
Financial assets measured at fair value through other comprehensive income	13,437,823	15,271,822	14,570,612	16,059,841
Investments in subsidiaries	4,811,000	4,811,000	-	-
Investments in associates and joint ventures	-	-	-	-
Property, plant and equipment	15,172,404	15,315,772	16,065,838	16,197,837
Right of use assets	1,148,286	1,226,183	1,189,252	1,271,525
Investment properties	-	-	237,077	237,077
Goodwill and intangible assets	632,734	687,961	639,086	694,160
Deferred tax assets	1,420,876	1,446,249	1,420,957	1,446,249
Other assets	32,887,059	23,033,780	33,039,133	23,192,936
<b>Total assets</b>	<b>1,489,380,751</b>	<b>1,363,808,376</b>	<b>1,507,307,797</b>	<b>1,383,220,728</b>
<b>Liabilities</b>				
Due to banks	11,967,971	12,862,337	10,951,997	13,339,705
Derivative financial instruments	-	-	-	-
Financial liabilities recognized through profit or loss	-	-	-	-
Financial liabilities at amortised cost				
due to depositors	1,352,594,888	1,237,123,791	1,352,126,211	1,237,669,284
due to debt securities holders	-	-	-	-
due to other borrowers	4,281,469	8,159,591	17,076,296	19,656,090
Lease liability	1,197,995	1,274,713	1,241,363	1,320,877
Debt securities issued	32,869,198	31,773,753	32,958,756	31,908,279
Retirement benefit obligations	10,885,085	10,885,085	10,919,858	10,916,429
Current tax liabilities	3,545,340	612,239	3,873,601	1,189,133
Deferred tax liabilities	-	-	853	1,121
Other provisions	-	-	-	-
Other liabilities	8,287,876	6,699,216	8,793,279	7,253,989
Due to subsidiaries	3,750	3,750	-	-
<b>Total liabilities</b>	<b>1,425,633,572</b>	<b>1,309,394,475</b>	<b>1,437,942,215</b>	<b>1,323,254,907</b>
<b>Equity</b>				
Stated capital/Assigned capital	9,400,000	9,400,000	9,400,000	9,400,000
Statutory reserve fund	4,618,843	4,068,268	4,647,087	4,090,363
OCI reserve	(330,442)	(434,929)	(297,004)	(411,786)
Retained earnings	22,751,456	14,399,572	26,957,507	18,601,588
Other reserves	27,307,322	26,980,990	28,657,992	28,285,656
Total shareholders' equity	63,747,179	54,413,901	69,365,582	59,965,821
Non-controlling interests	-	-	-	-
<b>Total equity</b>	<b>63,747,179</b>	<b>54,413,901</b>	<b>69,365,582</b>	<b>59,965,821</b>
<b>Total equity and liabilities</b>	<b>1,489,380,751</b>	<b>1,363,808,376</b>	<b>1,507,307,797</b>	<b>1,383,220,728</b>
<b>Contingent liabilities and commitments</b>	<b>15,740,854</b>	<b>23,787,099</b>	<b>15,250,481</b>	<b>23,850,325</b>
<b>Memorandum Information</b>				
Number of Employees	4,615	4,641	-	-
Number of Branches	260	259	-	-
<b>Note: Amounts stated are in net of impairment and depreciation.</b>				

#### \* 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 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 assess the reasonableness of the customer request of prolonged debt moratorium or deferral. The borrowers were allocated between stages based on their sector and management judgment. 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 are 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 reversed to the income tax and deferred tax in Income Statement 2021.

#### STATEMENT OF CHANGES IN EQUITY - BANK

For the six months ended 30.06.2020	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 1<sup>st</sup> 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>								
Net profit for the period	-	-	-	-	-	1,056,061	-	1,056,061
Other comprehensive income net of tax	-	-	-	-	-	-	-	-
Net change in fair value of debt instrument of Fair Value through Other Comprehensive Income	-	-	-	302,192	-	-	-	302,192
Net change in fair value of equity instrument of Fair Value through Other Comprehensive Income	-	-	-	(953,831)	-	-	-	(953,831)
<b>Total comprehensive income for the period</b>								
Transactions with equity holders, recognised directly in equity	-	-	-	-	-	-	(25,501)	(25,501)
Transfers to unclaimed deposits reserve	-	-	-	-	-	-	-	-
Contribution to the consolidated fund-Dividend/Levy	-	-	-	-	-	(1,000,000)	-	(1,000,000)
Contribution to national insurance trust fund	-	-	-	-	-	(10,561)	-	(10,561)
Transfers during the period	-	-	52,803	-	-	(52,803)	-	-
<b>Total transactions with equity holders</b>								
Balance as at 30.06.2020	9,400,000	3,615,675	5,611,188	(333,633)	-	8,187,205	18,813,184	45,293,622
<b>For the six months ended 30.06.2021</b>								
<b>Balance as at 1<sup>st</sup> 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>
Prior years adjustment*	-	-	-	-	-	2,516,404	-	2,516,404
<b>Re-stated opening balance</b>	<b>9,400,000</b>	<b>4,068,268</b>	<b>6,678,568</b>	<b>(434,929)</b>	-	<b>14,399,572</b>	<b>20,302,421</b>	<b>54,413,901</b>
<b>Total comprehensive income for the period</b>								
Net profit for the period	-	-	-	-	-	1,056,061	-	1,056,061
Other comprehensive income net of tax	-	-	-	-	-	-	-	-
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
<b>Total comprehensive income for the period</b>								
Transactions with equity holders, recognised directly in equity	-	-	-	104,487	-	10,512,575	-	10,988,094
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)	-	-
<b>Total transactions with equity holders</b>								
Balance as at 30.06.2021	9,400,000	4,618,843	7,049,600	(330,442)	-	22,751,456	20,257,722	63,747,179

\* The Bank has received a tax credit of Rs. 2,516 Mn in finalization of Income tax assessment for



# NATIONAL SAVINGS BANK

## INTERIM FINANCIAL STATEMENTS

For the six months ended 30<sup>th</sup> June 2021

(SL)AAA

### ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

a. Bank - as at 30.06.2021				
In Rupees Thousand	AC	FVPL	FVOCI	Total
<b>ASSETS</b>				
Cash and cash equivalents	8,598,663	-	-	8,598,663
Balances with Central Bank	-	-	-	-
Placements with banks	13,396,177	-	-	13,396,177
Derivative financial instruments	-	-	-	-
Loans and advances	504,108,271	-	-	504,108,271
Debt instruments	883,261,695	8,395,869	10,512,096	902,169,660
Equity instruments	-	2,109,895	2,925,727	5,035,622
<b>Total financial assets</b>	<b>1,409,364,806</b>	<b>10,505,764</b>	<b>13,437,823</b>	<b>1,433,308,393</b>
<b>LIABILITIES</b>				
Due to banks	-	11,967,971	-	11,967,971
Derivative financial instruments	-	-	-	-
Financial liabilities	-	-	-	-
- due to depositors	-	1,352,594,888	-	1,352,594,888
- due to debt securities holders	-	-	-	-
- due to other borrowers	-	4,281,469	-	4,281,469
Debt securities issued	-	32,869,198	-	32,869,198
<b>Total financial liabilities</b>	<b>1,401,713,526</b>	<b>-</b>	<b>1,401,713,526</b>	<b>-</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	4,445,695
<b>Total financial assets</b>	<b>1,290,773,967</b>	<b>11,241,643</b>	<b>15,271,822</b>	<b>1,317,287,430</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>1,289,919,472</b>	<b>-</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 30.06.2021

In Rupees Thousand	Bank		Group	
	As at 30.06.2021	As at 31.12.2020 (Audited)	As at 30.06.2021	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	-	-	410,039	521,293
Term loans	441,257,416	457,873,876	443,834,656	460,813,371
Pawning	47,172,970	42,398,950	47,191,675	42,437,557
<b>Other loans</b>				
Loan to Government	2,075,000	2,075,000	2,075,000	2,075,000
Securities purchased under resale agreements	8,935,004	6,723,807	9,870,065	5,692,995
Staff loans	12,430,129	11,330,749	12,669,238	11,479,896
<b>Sub Total</b>	<b>511,870,519</b>	<b>520,402,382</b>	<b>516,050,673</b>	<b>523,020,112</b>
<b>By product - Foreign currency</b>				
Term loans	2,369,074	5,384,601	2,369,074	5,384,601
<b>Gross loans and advances</b>	<b>514,239,593</b>	<b>525,786,983</b>	<b>518,419,747</b>	<b>528,404,713</b>
<b>Gross loans &amp; advances</b>				
Less: Accumulated impairment under stage 1	(3,200,004)	(2,948,093)	(3,298,155)	(3,059,041)
Accumulated impairment under stage 2	(996,738)	(897,811)	(1,031,151)	(973,686)
Accumulated impairment under stage 3	(5,934,580)	(5,145,919)	(7,331,858)	(6,538,919)
<b>Net value of loans &amp; advances</b>	<b>504,108,271</b>	<b>516,795,160</b>	<b>506,758,584</b>	<b>517,833,067</b>
<b>Movement of Impairment during the period</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	251,911	1,346,820	239,114	1,351,953
<b>Closing balance</b>	<b>3,200,004</b>	<b>2,948,093</b>	<b>3,298,155</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	98,927	626,810	57,465	659,654
<b>Closing balance</b>	<b>996,738</b>	<b>897,811</b>	<b>1,031,151</b>	<b>973,686</b>
<b>Under Stage 3</b>				
Opening balance	5,145,918	2,394,667	6,538,919	3,783,076
Charge/(Write back) to Income Statement	803,145	2,763,609	812,216	2,783,032
Write-off during the period	(14,483)	(12,358)	(14,483)	(12,358)
Other movements	-	-	(4,794)	(14,831)
<b>Closing balance</b>	<b>5,934,580</b>	<b>5,145,918</b>	<b>7,331,858</b>	<b>6,538,919</b>
<b>Total Impairment</b>	<b>10,131,322</b>	<b>8,991,822</b>	<b>11,661,164</b>	<b>10,571,646</b>

### ANALYSIS OF DEPOSITS AS AT 30.06.2021

In Rupees Thousand	Bank		Group	
	As at 30.06.2021	As at 31.12.2020 (Audited)	As at 30.06.2021	As at 31.12.2020 (Audited)
<b>By product - Domestic currency</b>				
Demand deposits (current accounts)	-	-	-	-
Savings deposits	305,648,014	275,839,097	306,195,754	276,462,872
Fixed deposits	1,030,110,095	945,650,094	1,029,093,678	945,571,812
<b>Sub Total</b>	<b>1,335,758,109</b>	<b>1,221,489,191</b>	<b>1,335,289,432</b>	<b>1,222,034,684</b>
<b>By product - Foreign currency</b>				
Demand deposits (current accounts)	-	-	-	-
Savings deposits	4,819,978	4,193,979	4,819,978	4,193,979
Fixed deposits	12,016,801	11,440,621	12,016,801	11,440,621
<b>Sub total</b>	<b>16,836,779</b>	<b>15,634,600</b>	<b>16,836,779</b>	<b>15,634,600</b>
<b>Total</b>	<b>1,352,594,888</b>	<b>1,237,123,791</b>	<b>1,352,126,211</b>	<b>1,237,669,284</b>

### ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

c. Group - as at 30.06.2021				
In Rupees Thousand	AC	FVPL	FVOCI	Total
<b>ASSETS</b>				
Cash and cash equivalents	8,635,481	-	-	8,635,481
Balances with Central Bank	884	-	-	884
Placements with banks	16,166,466	-	-	16,166,466
Derivative financial instruments	-	-	-	-
Loans and advances	506,758,584	-	-	506,758,584
Debt instruments	887,281,289	19,193,244	11,470,786	917,945,320
Equity instruments	-	2,109,895	3,099,826	5,209,721
<b>Total financial assets</b>	<b>1,418,842,705</b>	<b>21,303,139</b>	<b>14,570,612</b>	<b>1,454,716,456</b>
<b>LIABILITIES</b>				
Due to banks	-	10,951,997	-	10,951,997
Derivative financial instruments	-	-	-	-
Financial liabilities	-	-	-	-
- due to depositors	-	1,352,126,211	-	1,352,126,211
- due to debt securities holders	-	-	-	-
- due to other borrowers	-	17,076,296	-	17,076,296
Debt securities issued	-	32,958,756	-	32,958,756
<b>Total financial liabilities</b>	<b>1,413,113,261</b>	<b>-</b>	<b>1,413,113,261</b>	<b>-</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>1,302,573,358</b>	<b>-</b>

### CASH FLOW STATEMENT

For the six months ended June 30	Bank		Group	
	2021 Rs. '000	2020 Rs. '000	2021 Rs. '000	2020 Rs. '000
<b>Cash flows from operating activities</b>				
Interest receipts	64,973,139	55,990,738	65,996,332	56,938,404
Interest payments	(38,720,462)	(44,727,900)	(39,062,330)	(45,171,196)
Net commission receipts	1,286,329	467,018	1,289,479	469,065
Trading income	316,667	464,429	335,682	658,602
Payment to employees	(5,092,212)	(4,423,069)	(5,206,755)	(4,518,461)
VAT on financial services	(3,411,030)	(1,805,502)	(3,553,793)	(1,915,695)
Receipts from other operating activities	105,775	139,942	112,415	145,650
Payment on other operating activities	(2,044,241)	(1,895,197)	(2,073,691)	(1,936,100)
<b>Operating profit before change in operating assets &amp; liabilities</b>	<b>17,412,965</b>	<b>4,210,461</b>	<b>17,837,340</b>	<b>4,670,270</b>
<b>(Increase) / decrease in operating assets</b>				
Placement with banks	(86,607)	(1,297,219)	1,173,316	(1,194,169)
Derivative financial instruments	20,265	19,896	20,265	19,896
Financial assets at FVPL	232,253	1,708,205	1,680,616	(1,539,293)
Financial assets at amortised cost - loans & advances	(50,330,409)	(26,724,623)	(51,897,813)	(27,934,828)
Financial assets at amortised cost - Debt & Other Instrument	(68,476,583)	(42,943,841)	(68,028,758)	(43,345,832)
Proceeds from the sale and maturity of financial investments	-	-	-	-
Other assets	(10,114,949)	(4,226,092)	(10,107,867)	(4,702,367)
	(128,756,029)	(73,463,675)	(127,160,241)	(78,696,594)
<b>Increase/(decrease) in operating liabilities</b>				
Due to bank	(776,958)	(17,224,457)	(2,265,367)	(18,642,965)
Derivative financial instruments	-	-	-	-
Financial liabilities at amortised cost - due to depositors	118,086,850	95,427,144	117,074,573	95,978,953
Financial liabilities at amortised cost - due to debt securities holders	-	-	-	-
Financial liabilities at amortised cost - due to other borrowers	(3,873,802)	(2,265,164)	(2,560,878)	2,875,446
Debt securities issued	-	-	-	-
Other liabilities	669,153	1,541,600	679,907	1,555,254
	114,105,242	77,479,124	112,928,236	81,766,689
<b>Net cash generated from operating activities before income tax</b>	<b>2,762,178</b>	<b>8,225,910</b>	<b>3,605,335</b>	<b>7,740,365</b>
Income tax paid	-	(1,270,919)	(288,692)	(1,540,098)
<b>Net cash (used in)/from operating activities</b>	<b>2,762,178</b>	<b>6,954,991</b>	<b>3,316,643</b>	<b>6,200,267</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(207,424)	(419,613)	(221,714)	(421,370)
Proceeds from the sale of property, plant and equipment	1,933	1,191	5,451	1,191
Net (increase)/decrease in finance instruments at fair value through other comprehensive income	1,761,517	(5,064,826)	1,440,914	(4,476,479)
Net Purchase / improvements to Investment Properties	-	-	-	-
Proceeds from the sale and maturity of financial investments	-	-	-	-
Net purchase of intangible assets	(93,116)	(89,888)	(94,186)	(89,888)
Net cash flow from acquisition of investment in subsidiaries and associates	-	-	-	-
Dividends received from investment in subsidiaries and associates	250,000	-	-	-
<b>Net cash (used in)/from investing activities</b>	<b>1,712,911</b>	<b>(5,573,137)</b>	<b>1,130,465</b>	<b>(4,986,546)</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	(613,298)	(390,000)	(626,126)	(390,000)
Interest paid on subordinated debt	(1,500,000)	(1,000,000)	(1,500,000)	(1,000,000)
Contribution to consolidated fund-dividend/levy	-	-	-	-
<b>Net cash from financial activities</b>	<b>(2,113,298)</b>	<b>(1,390,000)</b>	<b>(2,158,265)</b>	<b>(1,390,000)</b>
<b>Net increase/(decrease) in cash &amp; equivalents</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>8,535,851</b>	<b>5,285,761</b>	<b>8,569,150</b>	<b>5,305,728</b>

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

Item	Bank		Group	
	As at 30.06.2021	As at 31.12.2020	As at 30.06.2021	As at 31.12.2020
<b>Regulatory Capital Adequacy (LKR in Thousand)</b>				
Common Equity Tier 1				