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SLS Bank
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இலங்கை சேமிப்பு வங்கி
Sri Lanka Savings Bank

SRI LANKA SAVINGS BANK LIMITED

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30TH JUNE 2020

STATEMENT OF FINANCIAL POSITION

In Rupees Thousands	Current Period As at 30/06/2020	Previous Period As at 31/12/2019
Assets		
Cash and cash equivalents	31,906	18,802
Balances with central bank	-	-
Placements with banks	4,724,314	5,395,758
Derivative financial instruments	-	-
Financial assets at amortised cost		
- Loans and Advances	2,081,385	2,221,691
- Debt and Other Instruments	647,481	265,894
Financial assets measured at fair value through other comprehensive income	121,829	136,065
Investment in subsidiaries	-	-
Investment in associates and joint ventures	-	-
Property, plant and equipment	286,680	287,955
Right of use assets	10,172	14,365
Investment properties	333,315	333,315
Goodwill and intangible assets	359	549
Deferred tax assets	-	-
Other assets	518,213	42,605
Total assets	**8,755,655**	**8,716,999**
Liabilities		
Due to banks	-	72
Derivative financial instruments	-	-
Financial liabilities recognized through profit or loss		
- measured at fair value	-	-
- designated at fair value	-	-
Financial liabilities at amortised cost		
- Due to depositors	1,104,409	1,076,178
- Due to other borrowers	549,128	552,132
Lease Liability	10,784	14,116
Debt securities issued	263,986	263,986
Retirement benefit obligations	26,936	25,032
Current tax liabilities	334,311	404,436
Deferred tax liabilities	764	764
Other provisions	-	-
Other liabilities	1,449,941	1,449,508
Due to subsidiaries	-	-
Total liabilities	**3,740,259**	**3,786,223**
Equity		
Stated capital/Assigned capital	3,805,290	3,805,290
Statutory reserve fund	244,940	239,997
OCI reserve	24,148	38,385
Retained earnings	2,639,186	2,545,273
Other reserves	(1,698,169)	(1,698,169)
Total shareholders' equity	**5,015,396**	**4,930,776**
Non-controlling interests	-	-
Total Equity	**5,015,396**	**4,930,776**
Total equity and liabilities	**8,755,655**	**8,716,999**
Contingent liabilities and commitments	**22,240**	**20,840**
Memorandum Information		
Number of Employees	102	102
Number of Branches	4	4

INCOME STATEMENT

In Rupees Thousands	Current Period From 01/01/2020 To 30/06/2020	Previous Period From 01/01/2019 To 30/06/2019
Interest income	380,051	518,955
Interest expenses	(41,522)	(47,176)
Net interest income	**338,529**	**471,779**
Fee and commission income	815	693
Fee and commission expenses	(29)	(117)
Net fee and commission income	**786**	**576**
Net gain/(Loss) from trading	-	-
Net gain/(loss) from financial assets at fair value through profit or loss	-	-
Net Other operating income	5,607	3,042
Total operating income	**344,922**	**475,397**
Impairment Charges	(47,722)	(39,797)
Net operating income	**297,200**	**435,601**
Personnel Expenses	(91,931)	(84,118)
Depreciation and amortisation	(5,726)	(5,922)
Other Expenses	(28,749)	(40,158)
Operating profit/(loss) before VAT , NBT & DRL on financial services	**170,793**	**305,403**
Value Added Tax (VAT) on financial Services	(30,947)	(50,228)
Nation Building Tax (NBT) on financial Services	-	(6,865)
Debt Repayment Levy (DRL) on financial Services	-	(27,562)
Operating profit/(loss) after VAT , NBT & DRL on financial services	139,847	220,749
Share of profits of associates and joint ventures	-	-
Profit/(loss) before tax	**139,847**	**220,749**
Income Tax expenses	(40,990)	(77,811)
Profit/ (loss) for the period	**98,856**	**142,938**
Profit attributable to:		
Shareholders	**98,856**	**142,938**
Earnings per share on profit		
Basic earnings per ordinary share	12	17

STATEMENT OF COMPREHENSIVE INCOME

In Rupees Thousands	From 01/01/2020 To 30/06/2020	From 01/01/2019 To 30/06/2019
Profit/(loss) for the period	**98,856**	**142,938**
Items that will be reclassifield to income statement		
Exchange differences on translation of foreign operations	-	-
Net gains/(losses) on cash flow hedges	-	-
Net gains/(losses) on investment 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	-	-
Less: Tax expense relating to items that will be reclassified to income statement	-	-
Items that will not be reclassifield to income statement		
Change in fair value on investments in equity instruments designated at fair value through other comprehensive income	(14,236)	(29,628)
Change in fair value attributable to change in the Bank's own credit risk on financial liabilities designated at fair value through profit or loss	-	-
Actuarial Gain/(loss) on defined benefit plan	-	-
Re - measurement of post-employment benefit obligations	-	-
Changes in revaluation surplus	-	-
Share of profits of associates and joint ventures	-	-
Less: Tax expense relating to items that will not be reclassified to income statement	-	-
Other comprehensive income (OCI) for the period, net of taxes	**(14,236)**	**(29,628)**
Total comprehensive income for the period	**84,620**	**113,310**

STATEMENT OF CHANGES IN EQUITY

In Rupees Thousands	Stated Capital/ Assigned Capital		Reserves					Total	Non-Controlling interest	Total Equity
	Ordinary Shares	Assigned Capital	Statutory Reserve Fund	OCI Reserve	Re-valuation Reserve	Retained Earnings	Other Reserves			
Balance as at 01/01/2020	**820,447**	**2,984,844**	**239,997**	**38,385**	**468,021**	**2,545,273**	**(2,166,190)**	**4,930,776**	**-**	**4,930,776**
Total Comprehensive income for the period										
Profit/(loss) for the period	-	-	-	-	-	98,856	-	98,856	-	98,856
Other comprehensive income (net of tax)	-	-	-	(14,236)	-	-	-	(14,236)	-	(14,236)
Total comprehensive income for the period	**-**	**-**	**-**	**(14,236)**	**-**	**98,856**	**-**	**84,620**	**-**	**84,620**
Transactions with equity holders,recognised directly in equity										
Share issue/increase of assigned capital	-	-	-	-	-	-	-	-	-	-
Share options exercised	-	-	-	-	-	-	-	-	-	-
Bonus issue	-	-	-	-	-	-	-	-	-	-
Rights issue	-	-	-	-	-	-	-	-	-	-
Transfers to reserves during the period	-	-	4,943	-	-	(4,943)	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-
Profit transfers to head office	-	-	-	-	-	-	-	-	-	-
Gain/(loss) on revaluation of Property, Plant and Equipment (if cost method is adopted)	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
Total transactions with equity holders	**-**	**-**	**4,943**	**-**	**-**	**(4,943)**	**-**	**-**	**-**	**-**
Balance as at 30/06/2020	**820,447**	**2,984,844**	**244,940**	**24,148**	**468,021**	**2,639,186**	**(2,166,190)**	**5,015,396**	**-**	**5,015,396**

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

a. Bank – 30/06/2020

In Rupees Thousands	AC	FVPL	FVOCI	Total
ASSETS				-
Cash and cash equivalents	31,906	-	-	31,906
Balances with central bank	-	-	-	-
Placements with banks	4,724,314	-	-	4,724,314
Derivative financial instruments	-	-	-	-
Loans and advances	2,081,385	-	-	2,081,385
Debt Instruments	647,481	-	-	647,481
Equity Instruments	-	-	121,829	121,829
Total financial assets	**7,485,085**	**-**	**121,829**	**7,606,914**

In Rupees Thousands	AC	FVPL	Total
LIABILITIES			
Due to banks	-	-	-
Derivative financial instruments	-	-	-
Financial liabilities at amortised cost			
- Due to depositors	1,104,409	-	1,104,409
- Due to other borrowers	549,128	-	549,128
Debt securities issued	263,986	-	263,986
Total financial liabilities	**1,917,523**	**-**	**1,917,523**

b. Bank – 31/12/2019

In Rupees Thousands	AC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	18,802	-	-	18,802
Balances with central bank	-	-	-	-
Placements with banks	5,395,758	-	-	5,395,758
Derivative financial instruments	-	-	-	-
Loans and advances	2,221,691	-	-	2,221,691
Debt Instruments	265,894	-	-	265,894
Equity Instruments	-	-	136,065	136,065
Total financial assets	**7,902,144**	**-**	**136,065**	**8,038,210**

In Rupees Thousands	AC	FVPL	Total
LIABILITIES			
Due to banks	72	-	72
Derivative financial instruments	-	-	-
Other financial liabilities at fair value through profit or loss	-	-	-
Financial liabilities at amortised cost			
- Due to depositors	1,076,178	-	1,076,178
- Due to other borrowers	552,132	-	552,132
Debt securities issued	**263,986**	**-**	**263,986**
Total financial liabilities	**1,892,368**	**-**	**1,892,368**

STATEMENT OF CASH FLOWS

In Rupees Thousands	Current Period 30/06/2020	Previous Period 30/06/2019
Cash flows from operating activities		
Profit before tax	139,847	220,749
Adjustment for:		
Non-cash items included in profits before tax	54,228	45,718
Change in operating assets	(93,167)	(395,835)
Change in operating liabilities	23,453	(33,481)
Net gains from investing activities	-	-
Share of profits in associates and joint ventures	-	-
Dividend income from subsidiaries and associates	-	-
Interest expense on subordinated debt	-	-
Prior year adjustment	-	220,312
Contribution paid to defined benefit plans	-	-
Tax paid	(111,115)	(18,255)
Net cash generated from operating activities	**13,245**	**39,207**
Cash flows from investing activities		
Purchase of property, plant and equipment	(69)	(388)
Proceeds from the sale of property, plant and equipment	-	-
Purchase of Financial investments	-	-
Proceeds from the sale of maturity of financial investments	-	-
Net purchase of Intangible assets	-	-
Net cash flow from acquisition of investment in subsidiaries and associates	-	-
Net cash flow from disposal of subsidiaries	-	-
Proceeds from disposal of associates and joint ventures	-	-
Dividend received from investment in subsidiaries and associates	-	-
Purchase of Investment Properties	-	-
Net cash (used in)/from investing activities	(69)	(388)
Cash flows from finance activities		
Net proceeds from the issue of ordinary share capital	-	-
Net proceeds from the issue of other equity instruments	-	-
Net proceeds from the issue of subordinated dept	-	-
Repayment of subordinated dept	-	-
Interest paid on subordinated dept	-	-
Dividend paid to non-controlling interest	-	-
Dividend paid to shareholders of the parent company	-	-
Dividend paid to holders of other equity instruments	-	-
Others	-	-
Net Cash (used in)/from financing activities	-	-
Net increase/(decrease) in cash & cash equivalents	13,176	38,819
Cash and cash equivalents at the beginning of the period	18,730	31,235
Cash and cash equivalents at the end of the period	**31,906**	**70,054**

ANALYSIS OF DEPOSITS

In Rupee Thousands	Current Period As at 30/06/2020	Previous Period As at 31/12/2019
By Product		
Demand deposits	-	-
Savings deposits	**300,179**	**285,946**
Fixed deposits	509,107	497,002
Pramuka Savings & Development Bank's Loans (PSDB) deposits	295,123	293,230
Total	**1,104,409**	**1,076,178**

ANALYSIS OF LOANS & ADVANCES,COMMITMENTS, CONTINGENCIES AND IMPAIRMENT

In Rupees Thousands	Current Period As at 30/06/2020	Previous Period As at 31/12/2019
Productwise Gross loans and advances		
By product - Domestic Currency		
Overdrafts	-	-
Term loans	1,891,210	2,061,917
Lease rental receivable	544,876	472,747
Pawning	43,206	37,832
Pramuka Savings & Development Bank's Loans (PSDB)	1,013,075	1,013,437
Housing loans	49,490	49,593
Staff loans	124,358	123,419
Total	**3,666,214**	**3,758,946**
Stagewise impairment on loans & advances		
Less: Accumulated impairment under stage 1	(103,531)	(105,815)
Accumulated impairment under stage 2	(17,722)	(43,030)
Accumulated impairment under stage 3	(1,463,576)	(1,388,409)
Net value of loans & advances	**2,081,385**	**2,221,691**
Movements of impairment during the period		
Under Stage 1		
Opening balance	105,815	193,238
Charge/(write back) to income statement	(2,284)	(87,423)
Closing balance	**103,531**	**105,815**
Under Stage 2		
Opening balance	43,030	38,672
Charge/(write back) to income statement	(25,309)	4,359
Closing balance	**17,722**	**43,030**
Under Stage 3		
Opening balance	1,388,409	1,317,187
Charge/(write back) to income statement	75,529	77,888
Other Movements	(362)	(6,666)
Closing balance	**1,463,576**	**1,388,409**
Total Impairment	**1,584,829**	**1,537,255**

SELECTED PERFORMANCE INDICATORS (BASED ON REGULATORY REPORTING)

Item	30/06/2020	31/12/2019
Regulatory Capital Adequacy (LKR in Thousands)		
Common Equity Tier 1	4,356,801	4,355,002
Core (Tier 1) Capital	4,356,801	4,355,002
Total Capital Base	4,413,323	4,405,948
Regulatory Capital ratios (%)		
Common Equity Tier 1 capital (%) (Minimum Requirement - 7%)	77%	83%
Tier 1 Capital Ratio (%) (Minimum Requirement - 8.50%)	77%	83%
Total Capital Ratio (%) (Minimum Requirement - 12.50 %)	78%	84%
Leverage Ratio (Minimum Requirement - 3%)	**49%**	**50%**
Regulatory Liquidity		
Statutory Liquid Assets (LKR in Thousands)	5,178,240	5,405,188
Statutory Liquid Assets Ratio (%) (Minimum Requirement - 20%)	453%	514%
Total Stock of High-Quality Liquid Assets (LKR in Thousands)	289,236	292,618
Liquidity Coverage Ratio - Rupee (%) (Minimum Requirement - 100%)	492%	504%
Net Stable Funding Ratio (%) Minimum Requirement - 100%)	147%	204%
Assets Quality (Quality of Loan Portfolio)		
Gross Non Performing Advances Ratio (%) (net of Interest in suspense)	24%	20%
Net Non Performing Advances Ratio (%) (net of Interest in suspense and provision)	3%	5%
Profitability		
Interest Margin (%)	10%	13%
Return on Assets (before Tax) (%)	3%	7%
Return of Equity (%)	6%	13%

CERTIFICATION

We, the undersigned, being the Chairperson, Acting General Manager and Manager -Finance & Planning of Sri Lanka Savings Bank jointly certify that;

(a) The above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka.
(b) The information contained in these statements have been extracted from unaudited financial statements of the Bank unless indicated as audited.

Keasila Jayawardena	H.M.G.P.J. Herath	H.K. Eranjith Padmakumara
(sgd.) Chairperson	(sgd.) Acting General Manager	(sgd.) Manager - Finance & Planning
18.08.2020	18.08.2020	18.08.2020