SRI LANKA SAVINGS BANK LIMITED

SLS Bank
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இலங்கை சேமிப்பு வங்கி
Sri Lanka Savings Bank

A FULLY OWNED SUBSIDIARY OF NSB

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30th JUNE 2021

STATEMENT OF FINANCIAL POSITION

In Rupees Thousands	Current Period As at 30/06/2021	Previous Period As at 31/12/2020
Assets		
Cash and cash equivalents	36,353	105,548
Balances with Central Bank	-	-
Placements with banks	4,078,630	4,734,648
Derivative financial instruments	-	-
Financial assets at amortised cost		
- Loans and Advances	1,715,252	2,068,720
- Debt and Other Instruments	1,630,056	779,708
Financial assets measured at fair value through Profit & Loss	-	303,806
Financial assets measured at fair value through other comprehensive income	172,098	138,011
Investment in subsidiaries	-	-
Investment in associates and joint ventures	-	-
Property, plant and equipment	886,597	875,771
Right of use assets	3,420	5,980
Investment properties	237,077	237,077
Goodwill and intangible assets	1,008	216
Deferred tax assets	-	-
Other assets	20,625	16,231
Total assets	**8,781,116**	**9,265,716**
Liabilities		
Due to banks	4,403	391
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	840,300	1,077,085
- Due to other borrowers	326,041	575,874
Lease Liability	4,489	6,734
Debt securities issued	89,558	134,526
Retirement benefit obligations	31,684	29,530
Current tax liabilities	304,193	363,667
Deferred tax liabilities	853	995
Other provisions	-	-
Other liabilities	492,681	547,065
Due to subsidiaries	-	-
Total liabilities	**2,094,202**	**2,735,867**
Equity		
Stated capital/Assigned capital	3,805,290	3,805,290
Statutory reserve fund	259,899	253,750
OCI reserve	73,844	39,756
Retained earnings	3,806,944	3,690,116
Other reserves	(1,259,063)	(1,259,063)
Total shareholders' equity	**6,686,914**	**6,529,849**
Non-controlling interests	-	-
Total Equity	**6,686,914**	**6,529,849**
Total equity and liabilities	**8,781,116**	**9,265,716**
Contingent liabilities and commitments	**9,627**	**34,020**
Memorandum Information		
Number of Employees	107	107
Number of Branches	4	4

INCOME STATEMENT

In Rupees Thousands	Current Period From 01/01/2021 To 30/06/2021	Previous Period From 01/01/2020 To 30/06/2020
Interest income	313,912	380,051
Interest expenses	(31,000)	(41,522)
Net interest income	**282,912**	**338,529**
Fee and commission income	1,011	815
Fee and commission expenses	-	(29)
Net fee and commission income	**1,011**	**786**
Net gain/(Loss) from trading	-	-
Net gain/(loss) from financial assets at fair value through profit or loss	-	-
Net Other operating income	10,065	5,607
Total operating income	**293,988**	**344,922**
Impairment Charges	43,451	(47,722)
Net operating income	**337,439**	**297,200**
Personnel Expenses	(112,335)	(91,932)
Depreciation and amortisation	(5,029)	(5,726)
Other Expenses	(33,520)	(28,749)
Operating profit/(loss) before VAT , NBT & DRL on financial services	**186,555**	**170,793**
Value Added Tax (VAT) on financial Services	(37,833)	(30,947)
Nation Building Tax (NBT) on financial Services	-	-
Debt Repayment Levy (DRL) on financial Services	-	-
Operating profit/(loss) after VAT , NBT & DRL on financial services	**148,722**	**139,846**
Share of profits of associates and joint ventures	-	-
Profit/(loss) before tax	**148,722**	**139,846**
Income Tax expenses	(25,744)	(40,990)
Profit/ (loss) for the period	**122,978**	**98,856**
Profit attributable to:		
Shareholders	**122,978**	**98,856**
Earnings per share on profit		
Basic earnings per ordinary share	15	12

STATEMENT OF COMPREHENSIVE INCOME

In Rupees Thousands	From 01/01/2021 To 30/06/2021	From 01/01/2020 To 30/06/2020
Profit/(loss) for the period	**122,978**	**98,856**
Items that will be reclassified to income statement		
Exchange differences on translation of foreign operations	-	-
Net gains/(losses) on cash flow hedges	-	-
Net gains/(losses) on 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	34,087	(14,237)
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	34,087	(14,237)
Total comprehensive income for the period	**157,065**	**84,619**

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 01/01/2021	**820,446**	**2,984,844**	**253,750**	**39,757**	**907,127**	**3,690,115**	**(2,166,190)**	**6,529,849**	**-**	**6,529,849**
Total Comprehensive income for the period										
Profit/(loss) for the period	-	-	-	-	-	122,978	-	122,978	-	122,978
Other comprehensive income (net of tax)	-	-	-	34,087	-	-	-	34,087	-	34,087
Total comprehensive income for the period	**-**	**-**	**-**	**34,087**	**-**	**122,978**	**-**	**157,065**	**-**	**157,065**
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	-	-	6,149	-	-	(6,149)	-	-	-	-
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	**-**	**-**	**6,149**	**-**	**-**	**(6,149)**	**-**	**-**	**-**	**-**
							-	-	-	-
Balance as at 30/06/2021	**820,446**	**2,984,844**	**259,899**	**73,844**	**907,127**	**3,806,944**	**(2,166,190)**	**6,686,914**	**-**	**6,686,914**

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

a. Bank – 30/06/2021

In Rupees Thousands	AC	FVPL	FVOCI	Total
ASSETS				-
Cash and cash equivalents	36,353	-	-	36,353
Balances with central bank	-	-	-	-
Placements with banks	4,078,630	-	-	4,078,630
Derivative financial instruments	-	-	-	-
Loans and advances	1,715,252	-	-	1,715,252
Debt Instruments	1,630,056	-	-	1,630,056
Equity Instruments	-	-	172,098	172,098
Unit Trust Investments		-		-
Total financial assets	**7,460,291**	**-**	**172,098**	**7,632,389**

In Rupees Thousands	AC	FVPL	Total
LIABILITIES			
Due to banks	4,403	-	4,403
Derivative financial instruments	-	-	-
Financial liabilities at amortised cost			-
- Due to depositors	840,300	-	840,300
- Due to other borrowers	326,041	-	326,041
Debt securities issued	89,558	-	89,558
Total financial liabilities	**1,260,302**	**-**	**1,260,302**

b. Bank – 31/12/2020

In Rupees Thousands	AC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	105,548	-	-	105,548
Balances with central bank	-	-	-	-
Placements with banks	4,734,648	-	-	4,734,648
Derivative financial instruments	-	-	-	-
Loans and advances	2,068,720	-	-	2,068,720
Debt Instruments	779,708	-	-	779,708
Equity Instruments	-	-	138,011	138,011
Unit Trust Investment	-	303,806	-	303,806
Total financial assets	**7,688,624**	**303,806**	**138,011**	**8,130,441**

In Rupees Thousands	AC	FVPL	Total
LIABILITIES			
Due to banks	391	-	391
Derivative financial instruments	-	-	-
Other financial liabilities at fair value through profit or loss	-	-	-
Financial liabilities at amortised cost			-
- Due to depositors	1,077,085	-	1,077,085
- Due to other borrowers	575,874	-	575,874
Debt securities issued	**134,526**	**-**	**134,526**
Total financial liabilities	**1,787,876**	**-**	**1,787,876**

STATEMENT OF CASH FLOWS

In Rupees Thousands	Current Period 30/06/2021	Previous Period 30/06/2020
Cash flows from operating activities		
Profit before tax	148,722	139,847
Adjustment for:		
Non-cash items included in profits before tax	(39,480)	56,132
Change in operating assets	502,001	(93,167)
Change in operating liabilities	(588,519)	21,549
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	-	-
Contribution paid to defined benefit plans	-	-
Tax paid	(85,361)	(111,116)
Net cash generated from operating activities	**(62,637)**	**13,245**
Cash flows from investing activities		
Purchase of property, plant and equipment	(13,017)	(69)
Proceeds from the sale of property, plant and equipment	3,518	-
Purchase of Financial investments	-	-
Proceeds from the sale of maturity of financial investments	-	-
Net purchase of Intangible assets	(1,070)	-
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	**(10,569)**	**(69)**
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	(73,206)	13,176
Cash and cash equivalents at the beginning of the period	105,156	18,730
Cash and cash equivalents at the end of the period	**31,950**	**31,906**

ANALYSIS OF DEPOSITS

In Rupee Thousands	Current Period As at 30/06/2021	Previous Period As at 31/12/2020
By Product		
Demand deposits	-	-
Savings deposits	**245,257**	**328,742**
Fixed deposits	298,472	453,204
Pramuka Savings & Development Bank's Loans (PSDB) deposits	296,571	295,139
Total	**840,300**	**1,077,085**

ANALYSIS OF LOANS & ADVANCES,COMMITMENTS, CONTINGENCIES AND IMPAIRMENT

In Rupees Thousands	Current Period As at 30/06/2021	Previous Period As at 31/12/2020
Productwise Gross loans and advances		
By product - Domestic Currency		
Overdrafts	-	-
Term loans	1,549,298	1,896,408
Lease rental receivable	410,039	521,293
Credit Cards	-	-
Pawning	18,705	38,607
Pramuka Savings & Development Bank's Loans (PSDB)	993,812	998,606
Housing loans	34,130	44,482
Staff loans	239,109	149,147
Total	**3,245,093**	**3,648,543**
Stagewise impairment on loans & advances		
Less: Accumulated impairment under stage 1	(98,150)	(110,948)
Accumulated impairment under stage 2	(34,413)	(75,874)
Accumulated impairment under stage 3	(1,397,278)	(1,393,001)
Net value of loans & advances	**1,715,252**	**2,068,720**
Movements of impairment during the period		
Under Stage 1		
Opening balance	110,948	105,815
Charge/(write back) to income statement	(12,798)	5,133
Closing balance	**98,150**	**110,948**
Under Stage 2		
Opening balance	75,874	43,030
Charge/(write back) to income statement	(41,461)	32,843
Closing balance	**34,413**	**75,874**
Under Stage 3		
Opening balance	1,393,001	1,388,409
Charge/(write back) to income statement	9,071	19,423
Other Movements	(4,794)	(14,831)
Closing balance	**1,397,278**	**1,393,001**
Total Impairment	**1,529,841**	**1,579,823**

SELECTED PERFORMANCE INDICATORS (BASED ON REGULATORY REPORTING)

Item	30/06/2021	31/12/2020
Regulatory Capital Adequacy (LKR in Thousands)		
Common Equity Tier 1	5,472,734	4,305,855
Core (Tier 1) Capital	5,472,734	4,305,855
Total Capital Base	5,472,734	4,305,855
Regulatory Capital ratios (%)		
Common Equity Tier 1 capital (%) (Minimum Requirement - 7%)	89%	73%
Tier 1 Capital Ratio (%) (Minimum Requirement - 8.50%)	89%	73%
Total Capital Ratio (%) (Minimum Requirement - 12.50 %)	89%	73%
Leverage Ratio (Minimum Requirement - 3%)	**62%**	**48%**
Regulatory Liquidity		
Statutory Liquid Assets (LKR in Thousands)	4,857,481	4,857,185
Statutory Liquid Assets Ratio (%) (Minimum Requirement - 20%)	686%	511%
Total Stock of High-Quality Liquid Assets (LKR in Thousands)	326,050	296,371
Liquidity Coverage Ratio - Rupee (%) (Minimum Requirement - 100%)	1154%	567%
Net Stable Funding Ratio (%) Minimum Requirement - 100%)	132%	192%
Assets Quality (Quality of Loan Portfolio)		
Gross Non Performing Advances Ratio (%) (net of Interest in suspense)	23%	21%
Net Non Performing Advances Ratio (%) (net of Interest in suspense and provision)	0%	6%
Profitability		
Interest Margin (%)	8%	10%
Return on Assets (before Tax) (%)	3%	5%
Return of Equity (%)	5%	7%

CERTIFICATION

We, the undersigned, being the Chairperson, General Manager/CEO and Senior 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	M.A. Sujith Fernando	H.K. Eranjith Padmakumara
(sgd.) Chairperson	(sgd.) General Manager/CEO	(sgd.) Senior Manager - Finance & Planning
26.08.2021	26.08.2021	26.08.2021

SRI LANKA SAVINGS BANK LIMITED, NO. 265, WARD PLACE, COLOMBO 7.