SLS Bank

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இலங்கை சேமிப்பு வங்கி

Sri Lanka Savings Bank

SRI LANKA SAVINGS BANK LIMITED

A FULLY OWNED SUBSIDIARY OF NSB

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30th JUNE 2024

STATEMENT OF FINANCIAL POSITION

In Rupees Thousands	Current Period As at 30/06/2024	Previous Period As at 31/12/2023
Assets		
Cash and cash equivalents	56,207	31,894
Balances with Central Bank	-	-
Placements with banks	695,373	1,042,216
Derivative financial instruments	-	-
Financial assets at amortised cost		
- Loans and Advances	565,972	630,953
- Debt and Other Instruments	6,448,029	6,075,046
Financial assets measured at fair value through Profit & Loss	-	-
Financial assets measured at fair value through other comprehensive income	237,298	202,497
Investment in subsidiaries	-	-
Investment in associates and joint ventures	-	-
Property, plant and equipment	1,130,594	1,134,148
Right of use assets	(0)	104
Investment properties	349,000	349,000
Goodwill and intangible assets	0	0
Deferred tax assets	-	-
Other assets	50,223	45,680
Total assets	**9,532,696**	**9,511,536**
Liabilities		
Due to banks	-	-
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	414,351	418,862
- Due to other borrowers	34,839	293,891
Lease Liability	0	133
Debt securities issued	73,169	73,169
Retirement benefit obligations	61,892	60,794
Current tax liabilities	201,341	204,141
Deferred tax liabilities	27,727	27,727
Other provisions	-	-
Other liabilities	227,410	208,954
Due to subsidiaries	-	-
Total liabilities	**1,040,729**	**1,287,672**
Equity		
Stated capital/Assigned capital	3,805,290	3,805,290
Statutory reserve fund	338,368	326,701
OCI reserve	138,863	104,109
Retained earnings	5,228,097	5,006,417
Other reserves	(1,018,652)	(1,018,652)
Total shareholders' equity	**8,491,967**	**8,223,865**
Non-controlling interests	-	-
Total Equity	**8,491,967**	**8,223,865**
Total equity and liabilities	**9,532,696**	**9,511,536**
Contingent liabilities and commitments	**233**	**2,963**
Memorandum Information		
Number of Employees	94	95
Number of Branches	4	4

INCOME STATEMENT

In Rupees Thousands	Current Period From 01/01/2024 To 30/06/2024	Previous Period From 01/01/2023 To 30/06/2023
Interest income	675,625	733,247
Interest expenses	(8,811)	(13,149)
Net interest income	**666,814**	**720,097**
Fee and commission income	198	182
Fee and commission expenses	(51)	(3)
Net fee and commission income	**147**	**179**
Net gain/(Lost) from trading		-
Net gain/(Lost) from financial assets		-
at fair value through profit or loss		-
Net other operating income	12,667	90,578
Total operating income	**679,628**	**810,855**
Impairment Charges	6,192	30,906
Net operating income	**685,821**	**841,761**
Personnel Expenses	(155,087)	(129,256)
Depreciation and amortisation	(3,871)	(4,625)
Other Expenses	(45,523)	(40,443)
Operating profit/(loss) before VAT & SSCL on financial services	**481,340**	**667,437**
Value Added Tax (VAT) on financial Services	(90,674)	(102,983)
Social Security Contribution Levy (SSCL) on Financial Services	(12,594)	(14,926)
Operating profit/(loss) after VAT & SSCL on financial services	**378,072**	**549,528**
Share of profits of associates and joint ventures	-	-
Profit/ (loss) before tax	**378,072**	**549,528**
Income Tax expenses	(144,724)	(175,337)
Profit/ (loss) for the period	**233,347**	**374,190**
Profit attributable to:		
Shareholders	**233,347**	**374,190**
Earnings per share on profit		
Basic earnings per ordinary share	28	46

STATEMENT OF COMPREHENSIVE INCOME

In Rupees Thousands	From 01/01/2024 To 30/06/2024	From 01/01/2023 To 30/06/2023
Profit/ (loss) for the period	**233,347**	**374,190**
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 reclassified to income statement		
Change in fair value on investments in equity instruments designated at fair value through other comprehensive income	34,754	35,308
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 associate 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	34,754	35,308
Total comprehensive income for the period	**268,102**	**409,498**

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 01/01/2024	**820,447**	**2,984,844**	**326,701**	**104,109**	**1,147,539**	**5,006,417**	**(2,166,190)**	**8,223,865**	**-**	**8,223,865**
Total Comprehensive income for the period										
Profit/ (loss) for the period	-	-	-		-	233,347	-	233,347	-	233,347
Other comprehensive income (net of tax)	-	-	-	34,754	-	-		34,754	-	34,754
Total comprehensive income for the period	**-**	**-**	**-**	**34,754**	**-**	**233,347**	**-**	**268,102**	**-**	**268,102**
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	-	-	11,667		-	(11,667)	-	-	-	-
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	**-**	**-**	**11,667**	**-**	**-**	**(11,667)**	**-**	**-**	**-**	**-**
							-	-	-	-
Balance as at 30/06/2024	**820,447**	**2,984,844**	**338,368**	**138,863**	**1,147,539**	**5,228,097**	**(2,166,190)**	**8,491,967**	**-**	**8,491,967**

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

a. Bank – 30/06/2024

In Rupees Thousands	AC	FVPL	FVOCI	Total
ASSETS				-
Cash and cash equivalents	56,207			56,207
Balances with Central Bank				-
Placements with banks	695,373			695,373
Derivative financial instruments	-			-
Loans and advances	565,972			565,972
Debt Instruments	6,448,029			6,448,029
Equity Instruments			237,298	237,298
Unit Trust Investments		-		-
Total financial assets	**7,765,580**	**-**	**237,298**	**8,002,878**

In Rupees Thousands	AC	FVPL	Total
LIABILITIES			
Due to banks	-		-
Derivative financial instruments	-		-
Financial liabilities at amortised cost	-		-
- Due to depositors	414,351		414,351
- Due to other borrowers	34,839		34,839
Debt securities issued	73,169		73,169
Total financial liabilities	**522,359**	**-**	**522,359**

b. Bank – 31/12/2023

In Rupees Thousands	AC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	88,052			88,052
Balances with Central Bank	-			-
Placements with banks	2,004,253			2,004,253
Derivative financial instruments	-			-
Loans and advances	716,090			716,090
Debt Instruments	4,604,596			4,604,596
Equity Instruments			134,152	134,152
Unit Trust Investments	-	-	-	-
Total financial assets	**7,412,991**	**-**	**134,152**	**7,547,143**

In Rupees Thousands	AC	FVPL	Total
LIABILITIES			
Due to banks	30	-	30
Derivative financial instruments		-	-
Financial liabilities at amortised cost			-
- Due to depositors	435,574	-	435,574
- Due to other borrowers	297,803	-	297,803
Debt securities issued	**73,555**	**-**	**73,555**
Total financial liabilities	**806,963**	**-**	**806,963**

STATEMENT OF CASH FLOWS

In Rupees Thousands	Current Period 30/06/2024	Previous Period 30/06/2023
Cash flows from operating activities		
Profit before tax	378,072	549,528
Adjustment for:		
Non-cash items included in profits before tax	757	(102,120)
Change in operating assets	40,489	(182,060)
Change in operating liabilities	(245,242)	(18,387)
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	(2,125)	**(2,154)**
Tax paid	(147,524)	(178,948)
Net cash generated from operating activities	**24,427**	**65,859**
Cash flows from investing activities		
Purchase of property, plant and equipment	(114)	(171)
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	**(114)**	**(171)**
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 debt	-	-
Repayment of subordinated debt	-	-
Interest paid on subordinated debt	-	-
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	24,313	65,687
Cash and cash equivalents at the beginning of the period	31,894	47,066
Cash and cash equivalents at the end of the period	**56,207**	**112,753**

ANALYSIS OF DEPOSITS

In Rupees Thousands	Current Period As at 30/06/2024	Previous Period As at 31/12/2023
By Product		
Demand deposits	-	-
Savings deposits	97,776	103,918
Fixed deposits	7,674	7,769
Pramuka Savings & Development Bank's Loans (PSDB) deposits	308,901	307,175
Total	**414,351**	**418,862**

ANALYSIS OF LOANS & ADVANCES,COMMITMENTS, CONTINGENCIES AND IMPAIRMENT

In Rupees Thousands	Current Period As at 30/06/2024	Previous Period As at 31/12/2023
Productwise Gross loans and advances		
By product - Domestic Currency		
Overdrafts	-	-
Term loans	620,012	675,253
Lease rental receivable	52,749	74,111
Credit Cards	-	-
Pawning	29	29
Pramuka Savings & Development Bank's Loans (PSDB)	931,595	940,418
Housing loans	11,807	12,842
Staff loans	344,445	337,933
Total	**1,960,635**	**2,040,586**
Stagewise impairment on loans & advances		
Less: Accumulated impairment under stage 1	(4,855)	(8,511)
Accumulated impairment under stage 2	(22,653)	(23,457)
Accumulated impairment under stage 3	(1,367,154)	(1,377,664)
Net value of loans & advances	**565,973**	**630,953**
Movements of impairment during the period		
Under Stage 1		
Opening balance	8,511	22,152
Charge/(write back) to income statement	(3,656)	(13,640)
Closing balance	**4,855**	**8,511**
Under Stage 2		
Opening balance	23,457	43,099
Charge/(write back) to income statement	(804)	(19,642)
Closing balance	**22,653**	**23,457**
Under Stage 3		
Opening balance	1.377,664	1,457,551
Charge/(write back) to income statement	(1,688)	(67,978)
Other Movements	(8,823)	(11,908)
Closing balance	**1,367,154**	**1,377,664**
Total Impairment	**1,394,663**	**1,409,633**

SELECTED PERFORMANCE INDICATORS (BASED ON REGULATORY REPORTING)

Item	30/06/2024	31/12/2023
Regulatory Capital Adequacy (LKR in Thousands)		
Common Equity Tier 1	6,808,738	6,843,172
Core (Tier 1) Capital	6,808,738	6,843,172
Total Capital Base	6,808,738	6,863,411
Regulatory Capital ratios (%)		
Common Equity Tier 1 capital (%) (Minimum Requirement - 7%)	168%	163%
Tier 1 Capital Ratio (%) (Minimum Requirement - 8.50%)	168%	163%
Total Capital Ratio (%) (Minimum Requirement - 12.50 %)	169%	164%
Leverage Ratio (Minimum Requirement - 3%)	**73%**	**73%**
Regulatory Liquidity		
Statutory Liquid Assets (LKR in Thousands)	4,846,455	6,463,285
Statutory Liquid Assets Ratio (%) (Minimum Requirement - 20%)	985%	1289%
Total Stock of High-Quality Liquid Assets (LKR in Thousands)	6,968,598	6,829,632
Liquidity Coverage Ratio - Rupee (%) (Minimum Requirement - 100%)	6546%	3661%
Net Stable Funding Ratio (%) (Minimum Requirement - 100%)	254%	221%
Assets Quality (Quality of Loan Portfolio)		
Gross Non-Performing Advances Ratio (%) (net of Interest in suspense)	47%	44%
Net Non-Performing Advances Ratio (%) (net of Interest in suspense and provision)	2%	1%
Impaired Loans (Stage 3) Ratio (%)	4%	4%
Impairment (Stage 3) to Stage 3 Loans Ratio(%)	90%	90%
Profitability		
Interest Margin (%)	17%	19%
Return on Assets (before Tax) (%)	8%	13%
Return of Equity (%)	6%	10%

CERTIFICATION

We, the undersigned being the Chairman, General Manager/CEO and Senior Manager - Finance, 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.

B.M. Dushyantha Basnayake
(sgd.) Chairman
26.07.2024

M.A. Sujith Fernando
(sgd.) General Manager/CEO
26.07.2024

H.K. Eranjith Padmakumara
(sgd.) Senior Manager - Finance
26.07.2024