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 SEPTEMBER 2022

STATEMENT OF FINANCIAL POSITION

In Rupees Thousands	Current Period As at 30/09/2022	Previous Period As at 31/12/2021
Assets		
Cash and cash equivalents	39,021	64,001
Balances with Central Banks	-	-
Placements with banks	1,804,459	4,710,263
Derivative financial instruments	-	-
Financial assets at amortised cost		
- Loans and Advances	941,574	1,356,677
- Debt and Other Instruments	4,364,078	1,282,461
Financial assets measured at fair value through Profit & Loss	-	-
Financial assets measured at fair value through other comprehensive income	122,366	165,196
Investment in subsidiaries	-	-
Investment in associates and joint ventures	-	-
Property, plant and equipment	885,954	896,785
Right of used assets	1,102	2,493
Investment properties	204,977	210,577
Goodwill and intangible assets	1,580	669
Deferred tax assets	-	-
Other assets	19,524	15,716
Total assets	**8,384,634**	**8,704,836**
Liabilities		
Due to banks	1,019	100
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	492,290	764,664
- Due to other borrowers	303,793	319,244
Lease Liability	1,840	3,188
Debt securities issued	87,173	89,558
Retirement benefit obligations	45,090	41,652
Current tax liabilities	154,864	318,727
Deferred tax liabilities	1,939	1,939
Other provisions	-	-
Other liabilities	303,925	358,760
Due to subsidiaries	-	-
Total liabilities	**1,391,933**	**1,897,832**
Equity		
Stated capital/Assigned capital	3,805,290	3,805,290
Statutory reserve fund	284,175	266,507
OCI reserve	24,037	66,941
Retained earnings	4,155,413	3,938,822
Other reserves	(1,276,214)	(1,270,557)
Total shareholders' equity	**6,992,701**	**6,807,004**
Non-controlling interests	-	-
Total Equity	**6,992,701**	**6,807,004**
Total equity and liabilities	**8,384,634**	**8,704,836**
Contingent liabilities and commitments	**4,487**	**4,542**
Memorandum Information		
Number of Employees	104	106
Number of Branches	4	4

INCOME STATEMENT

In Rupees Thousands	Current Period From 01/01/2022 To 30/09/2022	Previous Period From 01/01/2021 To 30/09/2021
Interest income	760,650	443,505
Interest expenses	(25,014)	(43,571)
Net interest income	**735,636**	**399,934**
Fee and commission income	277	1,990
Fee and commission expenses	(41)	-
Net fee and commission income	**235**	**1,990**
Net gain/(Loss) from trading	-	-
Net gain/(Loss) from financial assets at fair value through profit or loss	-	-
Net other operating income	111,434	10,964
Total operating income	**847,306**	**412,887**
Impairment Charges	(10,943)	88,554
Net operating income	**836,362**	**501,442**
Personnel Expenses	(199,644)	(162,598)
Depreciation and amortisation	(7,942)	(6,944)
Other Expenses	(56,985)	(51,031)
Operating profit/(loss) before VAT on financial services	**571,791**	**280,870**
Value Added Tax (VAT) on financial Services	(104,038)	(56,374)
Operating profit/(loss) after VAT on financial services	**467,753**	**224,495**
Share of profits of associates and joint ventures	-	-
Profit/(loss) before tax	**467,753**	**224,495**
Income Tax expenses	(114,397)	(48,987)
Profit/ (loss) for the period	**353,356**	**175,508**
Profit attributable to:		
Shareholders	**353,356**	**175,508**
Earnings per share on profit		
Basic earnings per ordinary share	43	21

STATEMENT OF COMPREHENSIVE INCOME

In Rupees Thousands	From 01/01/2022 To 30/09/2022	From 01/01/2021 To 30/09/2021
Profit/(loss) for the period	**353,356**	**175,508**
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	(42,904)	25,374
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	(42,904)	25,374
Total comprehensive income for the period	**310,452**	**200,882**

STATEMENT OF CHANGES IN EQUITY

In Rupees Thousands	Stated Capital/Assigned Capital: Ordinary Shares	Stated Capital/Assigned Capital: Assigned Capital	Reserves: Statutory Reserve Fund	Reserves: OCI Reserve	Reserves: Revaluation Reserve	Reserves: Retained Earnings	Reserves: Other Reserves	Total	Non-Controlling interest	Total Equity
Balance as at 01/01/2022	**820,446**	**2,984,844**	**266,507**	**66,941**	**895,634**	**3,938,822**	**(2,166,190)**	**6,807,004**	**-**	**6,807,004**
Total Comprehensive income for the period										
Profit/(loss) for the period	-	-	-		-	353,356		353,356	-	353,356
Other comprehensive income (net of tax)	-	-	-	(42,904)	-	-	-	(42,904)	-	(42,904)
Total comprehensive income for the period	**-**	**-**	**-**	**(42,904)**	**-**	**353,356**	**-**	**310,452**	**-**	**310,452**
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	-	-	17,668		-	(17,668)	-	-	-	-
Dividends to equity holders	-	-	-		-	-	-	-	-	-
Profit transfers to head office	-	-	-		-		-	-	-	-
Gain/(loss) on revaluation of Property, Plant and Equipment (if cost method is adopted)	-	-	-		-	-	-	-	-	-
Others	-	-	-		(5,657)	(119,097)	-	(124,755)	-	(124,755)
Total transactions with equity holders	**-**	**-**	**17,668**	**-**	**(5,657)**	**(136,765)**	**-**	**(124,755)**	**-**	**(124,755)**
							-	-	-	
Balance as at 30/09/2022	**820,446**	**2,984,844**	**284,175**	**24,037**	**889,976**	**4,155,413**	**(2,166,190)**	**6,992,701**	**-**	**6,992,701**

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

a. Bank – 30/09/2022

In Rupees Thousands	AC	FVPL	FVOCI	Total
ASSETS				-
Cash and cash equivalents	39,021			39,021
Balances with Central Bank				-
Placements with banks	1,804,459			1,804,459
Derivative financial instruments	-			-
Loans and advances	941,574			941,574
Debt Instruments	4,364,078			4,364,078
Equity Instruments			122,366	122,366
Unit Trust Investments		-		-
Total financial assets	**7,149,130**	**-**	**122,366**	**7,271,497**

In Rupees Thousands	AC	FVPL	Total
LIABILITIES			
Due to banks	1,019		1,019
Derivative financial instruments			-
Financial liabilities at amortised cost			-
- Due to depositors	492,290		492,290
- Due to other borrowers	303,793		303,793
Debt securities issued	87,173		87,173
Total financial liabilities	**884,274**	**-**	**884,274**

a. Bank – 31/12/2021

In Rupees Thousands	AC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	64,001			64,001
Balances with Central Bank				-
Placements with banks	4,710,263			4,710,263
Derivative financial instruments	-			-
Loans and advances	1,356,677			1,356,677
Debt Instruments	1,282,461			1,282,461
Equity Instruments			165,196	165,196
Unit Trust Investments		-	-	-
Total financial assets	**7,413,402**	**-**	**165,196**	**7,578,597**

In Rupees Thousands	AC	FVPL	Total
LIABILITIES			
Due to banks	100	-	100
Derivative financial instruments		-	-
Financial liabilities at amortised cost			
- Due to depositors	764,664	-	764,664
- Due to other borrowers	319,244	-	319,244
Debt securities issued	**89,558**	**-**	**89,558**
Total financial liabilities	**1,173,566**	**-**	**1,173,566**

STATEMENT OF CASH FLOWS

In Rupees Thousands	Current Period 30/09/2022	Previous Period 30/09/2021
Cash flows from operating activities		
Profit before tax	467,752	224,495
Adjustment for:		
Non-cash items included in profits before tax	(73,070)	(81,453)
Change in operating assets	224,540	635,591
Change in operating liabilities	(254,639)	(684,017)
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	(124,755)	-
Contribution paid to defined benefit plans	(1,032)	-
Tax paid	(278,259	(102,221)
Net cash generated from operating activities	**(39,463)**	**(7,605)**
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,232)	(15,872)
Proceeds from the sale of property, plant and equipment	18,897	3,518
Purchase of Financial investments		-
Proceeds from the sale of maturity of financial investments		-
Net purchase of Intangible assets	(2,100)	(2,544)
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	**13,565**	**(14,899)**
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	(25,898)	(22,504)
Cash and cash equivalents at the beginning of the period	63,900	105,156
Cash and cash equivalents at the end of the period	**38,002**	**82,652**

ANALYSIS OF DEPOSITS

In Rupees Thousands	Current Period As at 30/09/2022	Previous Period As at 31/12/2021
By Product		
Demand deposits	-	-
Savings deposits	153,111	249,911
Fixed deposits	37,205	215,774
Pramuka Savings & Development Bank's Loans (PSDB) deposits	301,974	298,979
Total	**492,290**	**764,664**

ANALYSIS OF LOANS & ADVANCES,COMMITMENTS, CONTINGENCIES AND IMPAIRMENT

In Rupees Thousands	Current Period As at 30/09/2022	Previous Period As at 31/12/2021
Productwise Gross loans and advances		
By product - Domestic Currency		
Overdrafts	-	-
Term loans	921,050	1,259,200
Lease rental receivable	192,398	276,606
Credit Card	-	-
Pawning	50	2,129
Pramuka Savings & Development Bank's Loans (PSDB)	963,398	974,715
Housing loans	17,345	28,280
Staff loans	329,606	293,889
Total	**2,423,847**	**2,834,819**
Stagewise impairment on loans & advances		
Less: Accumulated impairment under stage 1	(30,294)	(81,707)
Accumulated impairment under stage 2	(52,891)	(17,867)
Accumulated impairment under stage 3	(1,399,089)	(1,378,567)
Net value of loans & advances	**941,574**	**1,356,677**
Movements of impairment during the period		
Under Stage 1		
Opening balance	81,707	110,947
Charge/(write back) to income statement	(51,414)	(29,240)
Closing balance	**30,294**	**81,707**
Under Stage 2		
Opening balance	17,867	75,874
Charge/(write back) to income statement	35,024	(58,007)
Closing balance	**52,891**	**17,867**
Under Stage 3		
Opening balance	1,378,567	1,393,001
Charge/(write back) to income statement	31,839	9,456
Other Movements	(11,318)	(23,891)
Closing balance	**1,399,089**	**1,378,567**
Total Impairment	**1,482,273**	**1,478,142**

SELECTED PERFORMANCE INDICATORS (BASED ON REGULATORY REPORTING)

Item	30/09/2022	31/12/2021
Regulatory Capital Adequacy (LKR in Thousands)		
Common Equity Tier 1	5,693,975	5,742,060
Core (Tier 1) Capital	5,693,975	5,742,060
Total Capital Base	5,693,975	5,742,060
Regulatory Capital ratios (%)		
Common Equity Tier 1 capital (%) (Minimum Requirement - 7%)	156%	101%
Tier 1 Capital Ratio (%) (Minimum Requirement - 8.50%)	156%	101%
Total Capital Ratio (%) (Minimum Requirement - 12.50 %)	156%	101%
Leverage Ratio (Minimum Requirement - 3%)	**69%**	**62%**
Regulatory Liquidity		
Statutory Liquid Assets (LKR in Thousands)	5,454,262	4,792,614
Statutory Liquid Assets Ratio (%) (Minimum Requirement - 20%)	941%	742%
Total Stock of High-Quality Liquid Assets (LKR in Thousands)	3,165,189	389,139
Liquidity Coverage Ratio - Rupee (%) (Minimum Requirement - 100%)	8456%	1548%
Net Stable Funding Ratio (%) (Minimum Requirement - 100%)	161%	172%
Assets Quality (Quality of Loan Portfolio)		
Gross Non-Performing Advances Ratio (%) (net of Interest in suspense)	39%	23%
Net Non-Performing Advances Ratio (%) (net of Interest in suspense and provision)	4%	-4%
Impaired Loans (Stage 3) Ratio (%)	10%	4%
Impairment (Stage 3) to Stage 3 Loans Ratio (%)	76%	85%
Profitability		
Interest Margin (%)	14%	7%
Return on Assets (before Tax) (%)	7%	4%
Return of Equity (%)	7%	4%

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 has 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
18.11.2022	18.11.2022	18.11.2022