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 31st MARCH 2022

STATEMENT OF FINANCIAL POSITION

In Rupees Thousands	Current Period As at 31/03/2022	Previous Period As at 31/12/2021
Assets		
Cash and cash equivalents	44,607	64,001
Balances with Central Banks	-	-
Placements with banks	5,261,603	4,710,263
Derivative financial instruments	-	-
Financial assets at amortised cost		
- Loans and Advances	1,231,677	1,356,677
- Debt and Other Instruments	678,658	1,282,461
Financial assets measured at fair value through Profit & Loss	-	-
Financial assets measured at fair value through other comprehensive income	115,658	165,196
Investment in subsidiaries	-	-
Investment in associates and joint ventures	-	-
Property, plant and equipment	886,347	896,785
Right of use assets	2,029	2,493
Investment properties	204,977	210,577
Goodwill and intangible assets	2,373	669
Deferred tax assets	-	-
Other assets	16,318	15,716
Total assets	**8,444,247**	**8,704,836**
Liabilities		
Due to banks	-	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	663,505	764,664
- Due to other borrowers	315,286	319,244
Lease Liability	2,762	3,188
Debt securities issued	89,558	89,558
Retirement benefit obligations	43,040	41,652
Current tax liabilities	146,493	318,727
Deferred tax liabilities	1,939	1,939
Other provisions	-	-
Other liabilities	373,123	358,760
Due to subsidiaries	-	-
Total liabilities	**1,635,706**	**1,897,832**
Equity		
Stated capital/Assigned capital	3,805,290	3,805,290
Statutory reserve fund	269,061	266,507
OCI reserve	17,403	66,941
Retained earnings	3,993,001	3,938,822
Other reserves	(1,276,214)	(1,270,557)
Total shareholders' equity	**6,808,541**	**6,807,004**
Non-controlling interests	-	-
Total Equity	**6,808,541**	**6,807,004**
Total equity and liabilities	**8,444,247**	**8,704,836**
Contingent liabilities and commitments	**5,317**	**4,542**
Memorandum Information		
Number of Employees	105	106
Number of Branches	4	4

INCOME STATEMENT

In Rupees Thousands	Current Period From 01/01/2022 To 31/03/2022	Previous Period From 01/01/2021 To 31/03/2021
Interest income	166,712	171,341
Interest expenses	(9,585)	(18,581)
Net interest income	**157,128**	**152,760**
Fee and commission income	132	388
Fee and commission expenses	(26)	-
Net fee and commission income	**106**	**388**
Net gain/(Loss) from trading	-	-
Net gain/(loss) from financial assets at fair value through profit or loss	-	-
Net other operating income	6,166	8,115
Total operating income	**163,400**	**161,263**
Impairment Charges	20,378	68,963
Net operating income	**183,778**	**230,226**
Personnel Expenses	(67,616)	(59,121)
Depreciation and amortisation	(2,644)	(3,216)
Other Expenses	(17,970)	(17,219)
Operating profit/(loss) before VAT on financial services	**95,548**	**150,670**
Value Added Tax (VAT) on financial Services	(17,535)	(16,545)
Operating profit/(loss) after VAT on financial services	**78,013**	**134,125**
Share of profits of associates and joint ventures	-	-
Profit/(loss) before tax	**78,013**	**134,125**
Income Tax expenses	(26,938)	(16,425)
Profit/ (loss) for the period	**51,075**	**117,700**
Profit attributable to:		
Shareholders	**51,075**	**117,700**
Earnings per share on profit		
Basic earnings per ordinary share	6	14

STATEMENT OF COMPREHENSIVE INCOME

In Rupees Thousands	From 01/01/2022 To 31/03/2022	From 01/01/2021 To 31/03/2021
Profit/(loss) for the period	**51,075**	**117,700**
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	(49,538)	10,342
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	(49,538)	10,342
Total comprehensive income for the period	**1,537**	**128,042**

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 01/01/2022	**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	-	-	-	-	-	51,075	-	51,075	-	51,075
Other comprehensive income (net of tax)	-	-	-	(49,538)	-	-	-	(49,538)	-	(49,538)
Total comprehensive income for the period	**-**	**-**	**-**	**(49,538)**	**-**	**51,075**	**-**	**1,537**	**-**	**1,537**
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	-	-	2,554	-	-	(2,554)	-	-	-	-
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	**-**	**-**	**2,554**	**-**	**-**	**(2,554)**	**-**	**-**	**-**	**-**
							-	-	-	-
Balance as at 31/03/2022	**820,446**	**2,984,844**	**269,061**	**17,403**	**895,634**	**3,987,344**	**(2,166,190)**	**6,808,541**	**-**	**6,808,541**

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

a. Bank – 31/03/2022

In Rupees Thousands	AC	FVPL	FVOCI	Total
ASSETS				-
Cash and cash equivalents	44,607	-	-	44,607
Balances with Central Bank	-	-	-	-
Placements with banks	5,261,603	-	-	5,261,603
Derivative financial instruments	-	-	-	-
Loans and advances	1,231,677	-	-	1,231,677
Debt Instruments	678,658	-	-	678,658
Equity Instruments	-	-	115,658	115,658
Unit Trust Investments		-		-
Total financial assets	**7,216,545**	**-**	**115,658**	**7,332,202**

In Rupees Thousands	AC	FVPL	Total
LIABILITIES			
Due to banks	-	-	-
Derivative financial instruments	-	-	-
Financial liabilities at amortised cost			-
- Due to depositors	663,505	-	663,505
- Due to other borrowers	315,286	-	315,286
Debt securities issued	89,558	-	89,558
Total financial liabilities	**1,068,349**	**-**	**1,068,349**

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 Investment	-	-	-	-
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 31/03/2022	Previous Period 31/03/2021
Cash flows from operating activities		
Profit before tax	78,012	134,124
Adjustment for:		
Non-cash items included in profits before tax	(18,372)	(68,017)
Change in operating assets	197,240	405,828
Change in operating liabilities	(91,265)	(485,316)
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	(199,172)	(12,877)
Net cash generated from operating activities	**(33,556)**	**(26,257)**
Cash flows from investing activities		
Purchase of property, plant and equipment	(47)	(12,991)
Proceeds from the sale of property, plant and equipment	16,410	3,518
Purchase of Financial investments	-	-
Proceeds from the sale of maturity of financial investments	-	-
Net purchase of Intangible assets	(2,100)	-
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	**14,263**	**(9,473)**
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	(19,293)	(35,730)
Cash and cash equivalents at the beginning of the period	63,900	105,156
Cash and cash equivalents at the end of the period	**44,607**	**69,426**

ANALYSIS OF DEPOSITS

In Rupees Thousands	Current Period As at 31/03/2022	Previous Period As at 31/12/2021
By Product		
Demand deposits	-	-
Savings deposits	**209,367**	**249,911**
Fixed deposits	154,235	215,774
Pramuka Savings & Development Bank's Loans (PSDB) deposits	299,904	298,979
Total	**663,505**	**764,664**

ANALYSIS OF LOANS & ADVANCES,COMMITMENTS, CONTINGENCIES AND IMPAIRMENT

In Rupees Thousands	Current Period As at 31/03/2022	Previous Period As at 31/12/2021
Productwise Gross loans and advances		
By product - Domestic Currency		
Overdrafts	-	-
Term loans	1,130,251	1,259,200
Lease rental receivable	239,869	276,606
Pawning	467	2,129
Pramuka Savings & Development Bank's Loans (PSDB)	971,545	974,715
Housing loans	21,715	28,280
Staff loans	322,428	293,889
Total	**2,686,276**	**2,834,819**
Stagewise impairment on loans & advances		
Less: Accumulated impairment under stage 1	(65,342)	(81,707)
Accumulated impairment under stage 2	(33,506)	(17,867)
Accumulated impairment under stage 3	(1,355,751)	(1,378,567)
Net value of loans & advances	**1,231,677**	**1,356,677**
Movements of impairment during the period		
Under Stage 1		
Opening balance	81,707	110,947
Charge/(write back) to income statement	(16,366)	(29,240)
Closing balance	**65,342**	**81,707**
Under Stage 2		
Opening balance	17,867	75,874
Charge/(write back) to income statement	15,639	(58,007)
Closing balance	**33,506**	**17,867**
Under Stage 3		
Opening balance	1,378,567	1,393,001
Charge/(write back) to income statement	(19,645)	9,456
Other Movements	(3,170)	(23,891)
Closing balance	**1,355,751**	**1,378,567**
Total Impairment	**1,454,599**	**1,478,142**

SELECTED PERFORMANCE INDICATORS (BASED ON REGULATORY REPORTING)

Item	31/03/2022	31/12/2021
Regulatory Capital Adequacy (LKR in Thousands)		
Common Equity Tier 1	5,714,242	5,742,060
Core (Tier 1) Capital	5,714,242	5,742,060
Total Capital Base	5,714,242	5,742,060
Regulatory Capital ratios (%)		
Common Equity Tier 1 capital (%) (Minimum Requirement - 7%)	113%	101%
Tier 1 Capital Ratio (%) (Minimum Requirement - 8.50%)	113%	101%
Total Capital Ratio (%) (Minimum Requirement - 12.50 %)	113%	101%
Leverage Ratio (Minimum Requirement - 3%)	**69%**	**62%**
Regulatory Liquidity		
Statutory Liquid Assets (LKR in Thousands)	4,858,203	4,792,614
Statutory Liquid Assets Ratio (%) (Minimum Requirement - 20%)	645%	742%
Total Stock of High-Quality Liquid Assets (LKR in Thousands)	115,005	389,139
Liquidity Coverage Ratio - Rupee (%) (Minimum Requirement - 100%)	481%	1548%
Net Stable Funding Ratio (%) (Minimum Requirement - 100%)	216%	172%
Assets Quality (Quality of Loan Portfolio)		
Gross Non Performing Advances Ratio (%) (net of Interest in suspense)	27%	23%
Net Non Performing Advances Ratio (%) (net of Interest in suspense and provision)	-6%	-4%
Impaired Loans (Stage 3) Ratio (%)	4%	4%
Impairment (Stage 3) to Stage 3 Loans Ratio (%)	84%	85%
Profitability		
Interest Margin (%)	9%	7%
Return on Assets (before Tax) (%)	4%	4%
Return of Equity (%)	3%	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 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
25.05.2022	25.05.2022	25.05.2022