

# NSB FUND MANAGEMENT COMPANY LIMITED

*Dedicated Primary Dealer Appointed By The Central Bank of Sri Lanka*

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2016

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER

	2016 Rs. '000	2015 Rs. '000
Income	830,627	692,615
Net gain/(loss) from financial instruments at fair value through profit or loss	(97,626)	3,569
Interest Expense	(554,000)	(370,610)
Net Operating Income	179,001	325,574
Other Income	75	-
<b>Less: Operating Expenses</b>		
Personnel Costs	31,145	26,516
Operating Expenses	21,318	16,018
Total Expenditure	52,463	42,534
Operating profit before VAT & Income Tax	126,613	283,040
Less: Value Added Tax	17,472	30,278
<b>Profit on Ordinary Activities before Tax</b>	<b>109,141</b>	<b>252,762</b>
Income Tax on Profit	(29,724)	(78,444)
<b>Profit for the Year</b>	<b>79,417</b>	<b>174,318</b>
Other Comprehensive Income	(102,626)	(178,723)
<b>Total Comprehensive Income for the Year</b>	<b>(23,209)</b>	<b>(4,405)</b>

### STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER

	2016 Rs. '000	2015 Rs. '000
<b>Assets</b>		
Cash and Cash Equivalents	8,408	7,945
Financial assets designated at fair value through profit or loss	7,012,619	4,262,151
Loans and Receivables	11,562	236,934
Financial Assets Held to Maturity Available for Sale	1,800,556	2,211,484
Other long term Investments	1,893,752	2,020,270
Property, Plant & Equipment	1,000	1,000
Deferred Tax Assets	2,172	2,222
Other Assets	588	228
<b>Total Assets</b>	<b>10,862,057</b>	<b>8,769,709</b>
<b>Liabilities &amp; Equity</b>		
<b>Liabilities</b>		
Borrowings under Repurchase Agreements	9,143,181	6,927,046
Due to Related Parties	3,336	476
Other Liabilities	5,918	10,516
Income Tax Payable	17,153	99,408
Retirement Benefit Obligations	1,260	1,346
<b>Total Liabilities</b>	<b>9,170,848</b>	<b>7,038,792</b>
<b>Equity</b>		
Ordinary Share Capital	150,000	150,000
Special Risk Reserve	493,961	474,107
Revenue Reserve	1,329,308	1,285,911
Other Reserves	(282,060)	(179,101)
	1,691,209	1,730,917
<b>Total Liabilities &amp; Shareholders' Funds</b>	<b>10,862,057</b>	<b>8,769,709</b>

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2016

	Stated Capital Rs. '000	Special Risk Reserve Rs. '000	Other Reserve Rs. '000	Retained Earnings Rs. '000	Total Rs. '000
Opening Balance as at 01.01.2015	150,000	430,527		1,334,263	1,914,790
Prior year adjustment (Note)				(53,931)	(53,931)
Profit for the year				174,318	174,318
Other Comprehensive Income			(179,101)	378	(178,723)
Super Gain Tax				(109,537)	(109,537)
Transfers		43,580		(43,580)	-
Dividend Paid				(16,000)	(16,000)
<b>Closing Balance as at 31.12.2015</b>	<b>150,000</b>	<b>474,107</b>	<b>(179,101)</b>	<b>1,285,911</b>	<b>1,730,917</b>
Profit for the year				79,417	79,417
Other Comprehensive Income			(102,959)	333	(102,626)
Transfers		19,854		(19,854)	-
Dividend Paid				(16,500)	(16,500)
<b>Closing Balance as at 31.12.2016</b>	<b>150,000</b>	<b>493,961</b>	<b>(282,060)</b>	<b>1,329,308</b>	<b>1,691,209</b>

Note - Prior year adjustment is the income tax paid during the year in respect of the years 2012 and 2013, for tax adjustments on convergence of International Reporting Standards.

Certified by

(Sgd.) G.V.A.D.D. Silva  
Chief Executive Officer

Approved and signed for on behalf of the Board of Directors of NSB Fund Management Co. Ltd.

(Sgd.) S.D.N. Perera  
Director

(Sgd.) Aswin De Silva  
Chairman