

**NSB FUND MANAGEMENT COMPANY LIMITED**
*Dedicated Primary Dealer Appointed By The Central Bank of Sri Lanka*
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2017**

**AUDITED STATEMENT OF COMPREHENSIVE INCOME**
**FOR THE YEAR ENDED 31ST DECEMBER**
**2017**
**2016**
**Rs.'000**
**Rs.'000**

Interest Income	1,015,980	776,069
Interest Expense	(713,172)	(554,000)
<b>Net Interest Income</b>	<b>302,808</b>	222,069
Fee & Commission Income	68,242	54,559
Fee & Commission Expenses	(3,955)	(2,690)
<b>Net Fee &amp; Commission Income</b>	<b>64,287</b>	51,869
Net Gain/(Loss) from Trading	314,332	(97,626)
Other Income	849	75
<b>Net Operating Income</b>	<b>682,276</b>	176,387
<b>Operating Expenses</b>		
Personnel Cost	(32,308)	(31,145)
Other Operating Expenses	(14,020)	(15,816)
<b>Operating profit before VAT,NBT &amp; Income Tax</b>	<b>635,947</b>	129,426
Value Added Tax	(85,680)	(17,472)
Nation Building Tax	(11,424)	(2,812)
<b>Profit on Ordinary Activities before Income Tax</b>	<b>538,843</b>	109,142
Income Tax on Profit	(176,046)	(29,724)
<b>Profit for the year</b>	<b>362,797</b>	79,417
Other Comprehensive income	165,514	(102,626)
<b>Total Comprehensive income for the year</b>	<b>528,311</b>	(23,209)

**AUDITED STATEMENT OF FINANCIAL POSITION**
**AS AT 31ST DECEMBER**
**2017**
**2016**
**Rs.'000**
**Rs.'000**
**Assets**

Cash and Cash Equivalents	4,553	8,408
Financial assets at fair value through profit or loss	2,917,636	7,012,619
Loans and Receivables	278,822	11,562
Financial Assets Held to Maturity	3,651,313	1,800,556
Available for Sale	2,020,023	1,894,752
Property , Plant & Equipment	3,303	2,172
Intangible Assets	347	-
Deferred Tax Asset	-	588
Other Assets	283,011	131,400
<b>Total Assets</b>	<b>9,159,008</b>	10,862,057

**Liabilities & Equity**
**Liabilities**

Borrowings under Repurchase Agreements	7,030,112	9,143,181
Due to Related Parties	3,489	3,336
Other Liabilities	42,069	5,918
Income Tax Payable	137,344	17,153
Deferred Tax Liability	75	-
Retirement Benefit Obligations	1,233	1,260
<b>Total Liabilities</b>	<b>7,214,322</b>	9,170,848

**Equity**

Stated Capital	900,000	150,000
Special Risk Reserve	584,660	493,961
Retained Earnings	576,842	1,329,308
Other Reserves	(116,816)	(282,060)
<b>Total Liabilities &amp; Equity</b>	<b>9,159,008</b>	10,862,057

**AUDITED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2017**

	<b>Stated Capital</b>	<b>Special Risk Reserve</b>	<b>Retained Earnings</b>	<b>Other Reserve</b>	<b>Total</b>
	<b>Rs.'000</b>	<b>Rs.'000</b>	<b>Rs.'000</b>	<b>Rs.'000</b>	<b>Rs.'000</b>
Opening Balance as at 01.01.2016	150,000	474,107	1,285,912	(179,101)	1,730,918
Profit for the year			79,417		79,417
Other Comprehensive income			333	(102,959)	(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>1,329,308</b>	<b>(282,060)</b>	<b>1,691,209</b>
Profit for the year			<b>362,797</b>		<b>362,797</b>
Other Comprehensive income			<b>270</b>	<b>165,243</b>	<b>165,513</b>
Transfers		<b>90,699</b>	<b>(90,699)</b>		-
Share Issue on Scrip Dividend	<b>750,000</b>				<b>750,000</b>
Cash Dividend			<b>(191,500)</b>		<b>(191,500)</b>
Scrip Dividend			<b>(750,000)</b>		<b>(750,000)</b>
WHT on Scrip Dividend			<b>(83,333)</b>		<b>(83,333)</b>
<b>Closing Balance as at 31.12.2017</b>	<b>900,000</b>	<b>584,660</b>	<b>576,842</b>	<b>(116,816)</b>	<b>1,944,686</b>

**Note:** Board of Directors has approved the payment of Rs. 750 Mn of Scrip Dividend to its shareholder at the Extra Ordinary General Meeting held on 28th June 2017.

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

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