

**NSB FUND MANAGEMENT COMPANY LIMITED**

Dedicated Primary Dealer Appointed By The Central Bank of Sri Lanka

**AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2018**

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER**
**STATEMENT OF FINANCIAL POSITION AS AT**

	2018	2017		31.12.2018	31.12.2017
	AUDITED	AUDITED		AUDITED	AUDITED
	Rs.'000	Rs.'000		Rs.'000	Rs.'000
Interest Income	1,266,007	1,015,980	<b>Assets</b>		
Interest Expense	(891,985)	(713,172)	Cash and Cash Equivalents	2,583	4,553
<b>Net Interest Income</b>	<b>374,022</b>	<b>302,808</b>	Financial Assets at fair value through profit & loss	10,187,151	2,917,636
Fee & Commission Income	50,133	68,242	Loans and Advances at Amortised Cost	24,973	278,822
Fee & Commission Expenses	(3,489)	(3,955)	Financial Assets at Amortised Cost	4,025,190	3,851,134
<b>Net Fee &amp; Commission Income</b>	<b>46,644</b>	<b>64,287</b>	Financial Assets at Fair Value Through OCI	1,603,130	1,819,102
Net Gain/(Loss) from Trading	(354,988)	314,332	Equity Investments at Fair Value Through OCI	1,000	1,000
Other Income	1	849	Property , Plant & Equipment	2,754	3,303
<b>Total Operating Income</b>	<b>65,679</b>	<b>682,276</b>	Intangible Assets	267	347
Collective Expected Credit Loss	55	(11)	Deferred Tax Asset	73	-
<b>Net Operating Income</b>	<b>65,734</b>	<b>682,265</b>	Income Tax Receivable	27,862	-
<b>Operating Expenses</b>			Other Assets	296,560	283,011
Personnel Cost	(39,843)	(32,308)	<b>Total Assets</b>	<b>16,171,543</b>	<b>9,158,908</b>
Other Operating Expenses	(15,574)	(14,020)	<b>Liabilities &amp; Equity</b>		
<b>Operating profit before VAT, NBT &amp; Income Tax</b>	<b>10,317</b>	<b>635,937</b>	<b>Liabilities</b>		
Value Added Tax	(6,563)	(85,680)	Borrowings under Repurchase Agreements	13,441,495	7,030,112
Nation Building Tax	(875)	(11,424)	Due to Related Parties	472	3,488
<b>Profit on Ordinary Activities before Income Tax</b>	<b>2,879</b>	<b>538,833</b>	Other Liabilities	4,773	42,069
Income Tax on Profit	(2,843)	(176,046)	Income Tax Payable	-	137,344
<b>Profit for the year</b>	<b>36</b>	<b>362,787</b>	Deferred Tax Liability	-	75
Other Comprehensive Income	(21,801)	165,513	Retirement Benefit Obligation	1,982	1,233
<b>Total Comprehensive Income for the year</b>	<b>(21,765)</b>	<b>528,300</b>	<b>Total Liabilities</b>	<b>13,448,722</b>	<b>7,214,321</b>
			<b>Equity</b>		
			Stated Capital	1,700,000	900,000
			Special Risk Reserve	584,669	584,660
			Retained Earnings	576,372	576,743
			OCI Reserve	(138,220)	(116,816)
			<b>Total Equity</b>	<b>2,722,821</b>	<b>1,944,587</b>
			<b>Total Liabilities &amp; Equity</b>	<b>16,171,543</b>	<b>9,158,908</b>

**STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 31ST DECEMBER 2018**

	Stated Capital	Special Risk Reserve	Retained Earnings	OCI Reserve	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Opening Balance as at 01.01.2017	150,000	493,961	1,329,308	(282,060)	1,691,209
Impact of adopting SLFRS 09			(89)		(89)
Restated Opening Balance under SLFRS 09	<b>150,000</b>	<b>493,961</b>	<b>1,329,219</b>	<b>(282,060)</b>	<b>1,691,120</b>
Profit for the year			362,787		362,787
Other Comprehensive income			270	165,243	165,513
Transfers		90,699	(90,699)		-
Share Issue on Scrip Dividend	750,000				750,000
Dividend Paid			(191,500)		(191,500)
Scrip Dividend			(750,000)		(750,000)
WHT on Scrip Dividend			(83,333)		(83,333)
<b>Closing Balance as at 31.12.2017</b>	<b>900,000</b>	<b>584,660</b>	<b>576,743</b>	<b>(116,816)</b>	<b>1,944,587</b>
Profit for the year			36		36
Other Comprehensive Income			(398)	(21,404)	(21,802)
Transfers		9	(9)		-
Share Issue	800,000				800,000
<b>Closing Balance as at 31.12.2018</b>	<b>1,700,000</b>	<b>584,669</b>	<b>576,372</b>	<b>(138,220)</b>	<b>2,722,821</b>

Certified By

**(Sgd.) D.L.P. Abayasingha**  
**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.) J. Chandrasekara**  
**Chairman**