

PRADESHIYA SANWARDHANA BANK

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30TH JUNE 2	016
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In Rupees Thousand	Current Year From 01/01/2016 To 30/06/2016 (Unaudited)	Previous Year From 01/01/2015 To 30/06/2015 (Unaudited)
Interest Income Interest Expenses	6,466,466 (3,144,744)	5,341,186 (2,445,726)
Net Interest Income Fee and Commission Income Fee and Commission Expenses	3,321,722 263,241 (56,357)	2,895,460 260,511 (51,694)
Net Fee and Commission Income Net Gain / (Loss) from trading Net Gain/(Loss) from financial instruments at fair value through profit or loss Net Gain/(Loss) from Financial Investments Other Operating Income (net)	206,884 - (2) - 74,596	208,817 - - - 7,032
Total Operating Income Impairment for Loans & Other Losses Individual Impairment Collective Impairment Others	3,603,200 (63,341)	3,111,309 (116,077)
Net Operating Income Personal Expenses Depreciation and Amortisation Other Expenses Levy Paid to general treasury	3,539,858 2,077,515 120,137 537,663 62,500	2,995,232 1,968,316 86,165 499,702 62,500
Operating Profit / (Loss) before Value Added Tax (VAT) Nation Building Tax Value Added Tax (VAT) on financial services	742,043 (43,017) (271,337)	378,548 (33,751) (202,506)
Profit / (Loss) before tax Tax Expenses	427,689 (264,824)	142,292
Profit / (Loss) for the period	162,865	142,292
Profit attributable to : Share Holders Non-controlling Interest	162,865	142,292
Earning per share on profit Basic earning per ordinary share Diluted earning per ordinary share	1.19	1.04

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2016

In Rupees Thousand	Current Year As at 30/06/2016 (Unaudited)	Previous Year As at 31/12/2015 (Audited)
Assets		
Cash and cash equivalents	494,808	310,592
Sri Lankan Government Securities		607,814
Balance with banks	16,395,758	15,813,955
Derivative financial instruments	, , , -	' ' -
Financial assets held for trading	177	200
Financial assets designated at fair value through profit or loss	_	_
Loans and receivables given to banks	_	_
Loans and receivables given to other customers	94,429,281	87,907,153
Financial Investments - Available-for-Sale	_	-
Financial Investments - Held-to-Maturity	_	_
Investments in Subsidiaries	_	_
Investments in associate and Joint Ventures		_
Property, plant and equipment	1,091,162	1,044,605
nvestment properties		1 .,,
Goodwill and intangible assets	82,788	78,816
Deffered Tax Assets	171,634	171,634
Other assets	3,444,532	1,441,724
Total assets	116,110,140	107,,376,493
Liabilities	,	101//010/110
Due to banks	11,073,142	7 015 017
Derivatives Financial Instruments	11,073,142	7,915,017
	-	-
Other Financial liabilities held for trading		-
Financial liabilities designated at fair value through profit or loss Due to other customers	- 00 110 120	04 204 007
	90,440,139	86,324,097
Debt issued and other borrowed funds Debt securities issued	0 411 415	0.402.022
	2,611,615	2,693,033
Current tax liabilities	-	-
Deffered Tax liabilities	-	-
Other Provision	4 (45 200	2.052.040
Other liabilities	4,645,382	3,253,842
Retirement benefit obligation	958,590	972,097
Subordinated term debts	-	-
otal Liabilities	109,728,868	101,158,086
quity		
State Capital / Assigned Capital	1,370,937	1,370,937
Statutory Reserve Fund	567,391	567,391
Retained Earnings	1,562,997	1,400,133
Other Reserves	2,879,946	2,879,946
otal Shareholders' Equity Non-controlling interests	6,381,272	6,218,407
Total Equity	6,381,272	6,218,407
Total Equity and Liabilities	116,110,140	107,376,493
Contingent Liabilities and Commitments	251,304	232,012
Memorandum Information		,
Number of permanent Employees	2,359	2,415

1) Loans and Receivables given to other Customers

Number of Branches

		<u>Bank</u>			
In Rupees Thousand		Current Period	Previous Period		
		As at 30/06/2016	As at 31/12/2015		
Gross loans and re	eceivables	95,971,314	89,469,402		
(less): Zero ra	te loan fair value adjustment	(174,051)	(257,836)		
Staff Io	an fair value adjustment	(508,043)	(508,043)		
Individ	ual impairment charges	(91,035)	(91,035)		
Collect	ive impairment charges	(768,904)	(705,335)		
through profit	eceivables including those designated at fair value or loss	94,429,281	87,907,153		
(Less): Loans and	Receivables designated at fair value through profit & Loss	-	-		
Net loans and re	ceivables	94,429,281	87,907,153		

2) Loans and Receivables to other Customers - By product

	<u> </u>	<u>Bank</u>			
In Rupees Thousand	Current Period	Previous Period			
	As at 30/06/2016	As at 31/12/2015			
By Product - Domestic Currency					
Overdrafts	-	-			
Term Loans	84,837,826	78,352,122			
Lease rentals receivables		-			
Credit Cards	-	-			
Pawning	7,232,008	7,653,380			
Other Loans (Staff Loans)	2,848,869	2,390,935			
Interest Receivable on Loans & Advances	1,052,610	1,072,966			
Sub Total	95,971,314	89,469,402			
By Product - Foreign Currency					
Overdrafts	-	-			
Term Loans	-	-			
Other Loans (Please Specify)	-	-			
Sub Total	-	-			
Total	95,971,314	89,469,402			

3) Movements in individual and collective impairment during the period for Loans and Receivables to other customers

	<u>Bank</u>		
In Rupees Thousand	Current Period As at 30/06/2016	Previous Period As at 31/12/2015	
Individual Impairment			
Opening Balance	91,035	-	
Charge / (Write back) to income statement	-	91,035	
Write-off during the year	-	· -	
Other movements		-	
Closing Balance	91,035	91,035	
Collective Impairment			
Opening Balance	705,335	1,141,224	
Charge/(write Back) to income Statement	63,341	(368,700)	
Write-off during the year	-	-	
Other movements	227	(67,190)	
Closing Balance	768,904	705,335	
Total Impairment	859,938	796,370	

4) Due to other customers - By Product

	<u>Bank</u>			
In Rupees Thousand	Current Period	Previous Period		
	As at 30/06/2016	As at 31/12/2015		
By Product - Domestic Currency				
Dormant Deposits (Current Accounts)	-	-		
Savings Deposits	30,606,087	28,792,809		
Fixed Deposits	51,263,832	49,457,681		
Other Deposits (Long Term Savings)	8,570,220	8,073,607		
Sub Total	90,440,139	86,324,097		
By Product - Foreign Currency				
Dormant Deposits (Current Accounts)	-	-		
Savings Deposits	-	-		
Fixed Deposits	-	-		
Other Deposits (Please specify)	-	-		
Sub Total	-			
Total	90,440,139	86,324,097		

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS AS AT 30TH JUNE 2016

n Rupees Thousand	HFI	нім	Receivables	Ars	iotai
ASSETS					
Cash and cash equivalents	-	-	494,808	-	494,808
iri Lanka government securities	-	-	-	-	-
lacements with banks	-	-	16,395,758	-	16,395,758
Derivative Financial Instruments	-	-	-	-	
inancial assets held for trading	177	-	-	-	177
oans and receivables given to banks	-	-	-	-	
oans and receivables given to other customers			94,429,281	-	94,429,281
inancial Investments	-	-	-	-	
Other assets			423,277	-	423,277
otal Financial Assets	177	-	111,743,124	-	111,743,124

In Rupees Thousand	HFT	НТМ	Amortized Cost	AFS	Total
LIABILITIES					
Due to banks	-	-	11,073,142	-	11,073,142
Derivative financial instruments	-	-	-	-	-
Other financial liabilities at fair value					
through profit or loss	-	-	-	-	-
Due to other customers	-	-	90,440,139	-	90,440,139
Other Borrowings	-	-	1,045,015	-	1,045,015
Debt securities issued	-	-	2,611,615	-	2,611,615
Total Financial liabilities		-	105,169,911	-	105,169,911

b. Bank - Previous Period

In Rupees Thousand	HFT	НТМ	Loans & Receivables	AFS	Total
,			Receivables		
ASSETS			240 500		240 500
Cash and cash equivalents	-	-	310,592	-	310,592
Sri Lanka government securities	-	607,814	-	-	607,814
Balances with other banks	-	-	15,813,955	-	15,813,955
Placements with banks	-	-	-	-	-
Derivative Financial instruments	-	-	-	-	-
Financial assets held for trading	200	-	-	-	200
Loans and receivables to banks	-	-	-	-	-
Loans and receivables given to other customers			87,907,153		87,907,153
Other assets	-	-	775,983	-	775,983
Total Financial Assets	200	607,814	104,807,682	-	105,415,697
	T	1	1		

In Rupees Thousand	HFT	НТМ	Amortized Cost	AFS	Total
LIABILITIES					
Due to banks	-	-	7,915,017	-	7,915,017
Derivative financial instruments	-	-	-	-	-
Other financial liabilities at fair value through					
profit or loss	-	-	-	-	-
Due to other customers			86,324,097	-	86,324,097
Other Borrowings			-		-
Debt securities issued	-	-	2,693,033	-	2,693,033
Total Financial liabilities	-	-	96,932,147	-	96,932,147

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30™ JUNE 2016

In Rupees Thousand	Current Period 30/06/2016	Previous Period 31/12/2015
Cash Flows from Operating Activities		
Profit before tax	742,043	1,962,795
Adjustment for:		-
Non-Cash item included in Profits before tax	241,839	103,093
Change in Operating assets	(9,132,750)	(24,796,383)
Change in Operating Liabilities	7,974,193	12,674,110
Other reclassification	-	(307)
Contribution paid to defined benefit plans	(13,507)	(19,648)
Tax paid	(583,130)	(1,157,331)
Net cash generated from operating activites	(771,311)	(11,233,672)
Cash flows from investing activities		
Purchase of property, plant and equipment	(64,142)	(413,677)
Proceeds from the sale of property, plant and equipment	22,320	7,773
Net purchase of intangible assets	(4,223)	(59,218)
Net proceeds from sales of investment share market	-	-
Net cash (used in)/from investing activities	(46,045)	(465,123)
Cash flows from financing activities		
Net proceeds from the issue of ordinary share capital	-	-
Net proceeds from the issue of subordinate debt	-	2,500,000
Dividend paid	-	(137,094)
Net cash from financing activities	-	2,362,906
Net Increase / (decrease) in cash & cash equivalents	(817,356)	(9,335,889)
Cash and cash equivalents at the beginning of the period	15,946,421	25,282,309
Cash and cash equivalents at the end of the period	15,129,064	15,946,421
Reconciliation of Cash & Cash Equivalents		
Cash and cash equivalents	494,808	310,592
Favourable Balances with banks	16,395,758	15,813,955
Unfavourable Balances with banks	(1,761,502)	(178,126)
	15,129,064	15,946,421

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30™ JUNE 2016

Bank	Stated Capital/Assigned Capital		Reserves					Total	Non Controlling	Total
	Ordinary Voting Shares	Ordinary Non- Voting Shares	Assigned Capital	Statutory Reserve Fund	Revaluation Reserve	Retained Earning	Other reserves		Interest	Equity
In rupees thousand										
Balance as at 01/01/2016 (Opening balance)	-	-	1,370,937	567,391		1,400,133	2,879,946	6,218,407	-	6,218,407
Profit / (loss) for the year	-	-	-	-	-	162,865	-	162,865	-	162,865
Other comprehensive income (net of Tax)	-	-	-	-	-	-	-	-	-	-
Issued Share Capital	-	-	-	-	-	-	-	-	-	-
Transferred to Investment Fund	-	-	-	-	-	-	-	-	-	-
Transferred to Statutory Reserve Fund	-	-	-	-	-	-	-	-	-	-
Transferred to Special Reserve Fund	-	-	-	-	-	-	-	-	-	-
Transferred to General Reserve Fund	-	-	-	-	-	-	-	-	-	-
Transferred from Investment Fund	-	-	-	-	-	-	-	-	-	-
Others (please specify)	-	-	-	-	-		-		-	-
Total transaction with equity holders	-	-	-	-	-		-	-	-	-
Balance as at 30/06/2016 (Closing balance)	-	-	1,370,937	567,391	-	1,562,997	2,879,946	6,381,272	-	6,381,272

SELECTED PERFORMANCE INDICATORS (AS PER REGULATORY REPORTING) **AS AT 30™ JUNE 2016**

Item	30/06/2016	31/12/2015	
	(Unaudited)	(Audited)	
Regulatory Capital Adequacy			
Core Capital (Tier 1 Capital) Rs. '000	6,046,708	6,046,698	
Total Capital Base Rs. '000	8,453,278	8,422,411	
Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 5%)	7.46%	7.56%	
Total Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 10%)	10.42%	10.53%	
Assets Quality (Quality of Loan Portfolio)			
Gross Non-Performing Advances Ratio, % (net of interest in Suspense)	4.98%	4.00%	
Net Non-Performing Advances Ratio, % (net of interest in Suspense and provision)	4.15%	3.20%	
Profitability			
Interest Margin, %	5.95%	6.60%	
Return on Assets (hefore Tax) %	0.77%	1.46%	

Return on Assets (before Tax), %

Return on Equity, %

Regulatory Liquidity Statutory Liquid Assets, Rs. '000 Statutory Liquid Assets Ratio, % (Minimum requirement, 20%)

Domestic Banking Unit

Off-shore Banking Unit

CERTIFICATION:

We, the undersigned, being the Chief Finance Officer and the Chief Executive Officer of Pradeshiya Sanwardhana Bank, 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 for the period ended 30.06.2016 have been extracted from the unaudited financial statements of the

Signed by C. Kalupahana Chief Finance Officer 19-Aug-16

Signed by T.A. Ariyapala Chief Executive Officer

17,581,215

19.53%

15.16%

21.77%

265

18,534,483