



PRADESHIYA SANWARDHANA BANK

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30.09-2017

"A" stable
ICRA LANKA

INCOME STATEMENT - FOR THE PERIOD ENDED 30TH SEPTEMBER 2017

In Rupees Thousand	Current Year From 01/01/2017 To 30/09/2017 (Unaudited)	Previous Year From 01/01/2016 To 30/09/2016 (Unaudited)
Interest Income	14,671,240	10,287,341
Interest Expenses	(8,089,838)	(5,048,884)
Net Interest Income	6,581,403	5,238,457
Fee and Commission Income	703,885	462,874
Fee and Commission Expenses	(123,302)	(89,841)
Net Fee and Commission Income	580,583	373,033
Net Gain/(Loss) from trading	-	-
Net Gain/(Loss) from financial Instruments at fair value through profit or loss	(1)	23
Net gain/(Loss) from Financial Investments	-	-
Other Operating Income (net)	549	93,017
Total Operating Income	7,162,534	5,704,530
Impairment for Loans & Other Losses Individual Impairment Collective Impairment	(393,861)	(23,962)
Net Operating Income	6,768,673	5,680,568
Personnel Expenses	3,371,577	3,322,187
Depreciation and amortisation	203,184	185,452
Other Expenses	1,091,386	958,340
Operating Profit/(Loss) before Value Added Tax (VAT)	2,102,526	1,214,589
Nation Building Tax Value Added Tax (VAT) on financial services	(87,974) (659,805)	(71,577) (393,671)
Profit/(Loss) before Tax	1,354,747	749,341
Tax Expenses	(628,922)	(407,354)
Profit/(Loss) for the period	725,825	341,987
Profit attributable to:		
Shareholders	725,825	341,987
Earning Per Share		
Basic earning per ordinary share	5.29	2.49

STATEMENT OF COMPREHENSIVE INCOME FOR FOR THE PERIOD ENDED 30TH SEPTEMBER 2017

In Rupees Thousand	Current Year From 01/01/2017 To 30/09/2017 (Unaudited)	Previous Year From 01/01/2016 To 30/09/2016 (Unaudited)
Profit for the Period	725,825	341,987
Other Comprehensive Income/(expenses)		
Actuarial Gain/(Loss) on define Benefit Plan	-	-
Deferred tax effect on above	-	-
Total Other Comprehensive income, for the period, net of Taxes		
Total Comprehensive Income for the Period	725,825	341,987

STATEMENT OF FINANCIAL POSITION AS AT 30TH SEPTEMBER 2017

In Rupees Thousand	Current Period As at 30/09/2017 (Unaudited)	Previous Year As at 31/12/2016 (Audited)
Assets		
Cash and cash equivalents	594,900	428,698
Sri Lankan Government Securities	-	-
Balance with banks	27,174,701	18,979,572
Placements with Banks	4,200,041	1,682,030
Financial assets held for trading	203	204
Financial assets designated at fair value through profit or loss	-	-
Loans and receivables given to banks	-	-
Loans and receivables given to other customers	120,607,740	105,653,631
Financial Investments - Available for sale	-	-
Financial Investments - Held to Maturity	503,387	516,742
Investments in Subsidiaries	-	-
Investments in associate and Joint Ventures	-	-
Property, Plant and Equipment	1,320,137	1,186,398
Investment Properties	-	-
Goodwill and intangible assets	59,022	58,026
Deferred Tax assets	217,650	217,650
Other Assets	3,805,960	2,191,034
Total assets	158,483,741	130,913,984
Liabilities		
Due to banks	12,047,984	11,765,493
Derivatives Financial Instruments	-	-
Other Financial liabilities held for trading	-	-
Financial liabilities designated at fair value through profit or loss	-	-
Due to other customers	129,240,327	107,031,721
Debt issued and other borrowed funds	-	-
Debt Securities Issued	4,742,157	2,708,377
Current tax liabilities	-	-
Deferred Tax liabilities	-	-
Other Provision	-	-
Other Liabilities	4,478,980	2,130,544
Retirement Benefits Obligation	1,249,524	1,278,903
Total liabilities	151,758,971	124,915,039
Equity		
State Capital/Assigned capital	1,370,937	1,370,937
Statutory Reserve Fund	599,456	599,456
Retained Earnings	1,714,109	988,284
Other Reserves	3,040,268	3,040,268
Total Shareholders' Equity	6,724,770	5,998,946
Non-controlling Interests	-	-
Total Equity	6,724,770	5,998,946
Total Equity and Liabilities	158,483,741	130,913,984
Contingent Liabilities and Commitments	167,600	453,556
Memorandum Information		
Number of Permanent Employees	2,316	2,350
Number of Branches	265	265

1) Loans and Receivables to other Customers

In Rupees Thousand	Bank	
	Current Period As at 30/09/2017	Previous Year As at 31/12/2016 (Audited)
Gross loans and receivables	123,460,985	108,102,760
(Less): Zero rate loan fair value adjustment	(159,863)	(159,863)
Staff loan fair value adjustment	(760,807)	(760,807)
Individual impairment charges	(24,184)	(24,184)
Collective impairment charges	(1,908,391)	(1,504,275)
Net Loans and receivables including those designated at fair value through profit or Loss	120,607,740	105,653,631
(Less): Loans and Receivables designated at fair value through profit & Loss	-	-
Net loans and receivables	120,607,740	105,653,631

2) Loans and Receivables to other Customers - By Product

In Rupees Thousand	Bank	
	Current Period As at 30/09/2017	Previous Year As at 31/12/2016 (Audited)
By Product-Domestic Currency		
Term Loans	108,015,658	95,737,973
Pawning	9,119,024	7,873,700
Staff Loans	3,427,344	3,193,923
Interest Receivable on Loans & Advances	2,898,959	1,297,163
Total	123,460,985	108,102,760

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

In Rupees Thousand	Bank	
	Current Period As at 30/09/2017	Previous Year As at 31/12/2016 (Audited)
Individual Impairment		
Opening Balance	24,184	91,035
Charge/(Write back) to Income Statement	-	(66,851)
Write-off during the period	-	-
Other movements	-	-
Closing Balance	24,184	24,184
Collective Impairment		
Opening Balance	1,504,275	1,533,034
Charge/(Write back) to Income Statement	393,861	37,741
Write-off during the period	-	(56,125)
Other movements	10,255	(10,375)
Closing Balance	1,908,391	1,504,275
Total Impairment	1,932,575	1,528,459

4) Due to other customers - By Product

In Rupees Thousand	Bank	
	Current Period As at 30/09/2017	Previous Year As at 31/12/2016 (Audited)
By Product-Domestic Currency		
Saving Deposits	28,276,130	32,669,438
Fixed Deposits	81,937,474	65,031,577
Other Deposits (Long Term Savings)	19,026,722	9,330,706
Total	129,240,327	107,031,721

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS AS AT 30TH SEPTEMBER 2017

a. Bank - Current Period

In Rupees Thousand	HFT	HTM	Loans & Receivables	AFS	Total
ASSETS					
Cash and cash equivalents	-	-	594,900	-	594,900
Balances with other Banks	-	-	27,174,701	-	27,174,701
Placements with banks	-	-	4,200,041	-	4,200,041
Derivative Financial instruments	-	-	-	-	-
Financial assets held for trading	203	-	-	-	203
Financial assets held to maturity	-	503,387	-	-	503,387
Loans and receivables given to banks	-	-	-	-	-
Loans and receivables given to other customers	-	-	120,607,740	-	120,607,740
Financial Investments	-	-	-	-	-
Other assets	-	-	1,393,210	-	1,393,210
Total Financial Assets	203	503,387	153,970,592		154,474,183

In Rupees Thousand	HFT	HTM	Amortized Cost	AFS	Total
LIABILITIES					
Due to banks	-	-	12,047,984	-	12,047,984
Derivative financial instruments	-	-	-	-	-
Other financial liabilities at fair value through profit or loss	-	-	-	-	-
Due to other customers	-	-	129,240,327	-	129,240,327
Debt securities issued	-	-	4,742,157	-	4,742,157
Other Assets	-	-	4,478,980	-	4,478,980
Total Financial Assets			150,509,447		150,509,447

b. Bank - Previous Year as at 31.12.2016 (audited)

In Rupees Thousand	HFT	HTM	Loans & Receivables	AFS	Total
ASSETS					
Cash and cash equivalents	-	-	428,698	-	428,698
Balances with other Banks	-	-	18,979,572	-	18,979,572
Placements with banks	-	-	1,682,030	-	1,682,030
Derivative Financial instruments	-	-	-	-	-
Financial assets held for trading	204	-	-	-	204
Financial assets held to maturity	-	516,742	-	-	516,742
Loans and receivables to banks	-	-	-	-	-
Loans and receivables given to other customers	-	-	105,653,631	-	105,653,631
Other Liabilities	-	-	1,100,619	-	1,100,619
Total Financial Liabilities	204	516,742	127,844,550		128,361,496

In Rupees Thousand	HFT	HTM	Amortized Cost	AFS	Total
LIABILITIES					
Due to banks	-	-	11,765,493	-	11,765,493
Derivative financial instruments	-	-	-	-	-
Other financial liabilities at fair value through profit or loss	-	-	-	-	-
Due to other customers	-	-	107,031,721	-	107,031,721
Debt securities issued	-	-	2,708,377	-	2,708,377
Other liabilities	-	-	2,130,544	-	2,130,544
Total Financial Liabilities			123,636,136		123,636,136

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH SEPTEMBER 2017

In Rupees Thousand	Bank	
	Current Period 30/09/2017	Previous Period 30/09/2016
Cash Flows from Operating Activities		
Profit before tax	2,102,526	1,214,589
Adjustment for:		
Non-Cash item included in Profits before tax	834,934	305,784
Change in Operating assets	(15,493,126)	(14,860,434)
Change in Operating Liabilities	24,839,533	18,428,821
Other reclassification	-	-
Contribution paid to defined benefit plans	(29,379)	(17,821)
Tax paid	(1,326,551)	(877,830)
Net cash generated from operating activities	10,927,936	4,193,109
Cash flows from investing activities		
Purchase of property, plant and equipment	(242,682)	(186,807)
Proceeds from the sale of property, plant and equipment	241	22,685
Net Purchase of intangible assets	(1,062)	(12,089)
Net proceeds from sales of investment share market	-	-
Net cash (used in)/from investing activities	(243,502)	(176,212)
Cash flow from financing activities		
Net proceeds from the issue of ordinary share capital	-	-
Net proceeds from the issue of subordinate debt	2,000,000	-
Interest paid on debentures	(324,592)	(168,367)
Dividend paid	-	(137,024)
Net cash from financing activities	1,675,408	(305,461)
Net increase / (decrease) in cash & cash equivalents	12,359,841	3,711,437
Cash and cash equivalents at the beginning of the period	19,056,079	15,946,421
Cash and cash equivalents at the end of the period	31,415,919	19,657,857
Reconciliation of Cash & Cash Equivalents		
Cash and cash equivalents	594,900	428,698
Favourable Balances with banks	31,374,742	19,449,735
Unfavourable Balances with banks	(553,724)	(290,568)
	31,415,919	19,657,857

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30TH SEPTEMBER 2017

Bank	Stated Capital / Assigned Capital		Reserves				Total	Non Controlling Interest	Total Equity
	Ordinary voting Shares	Ordinary non-voting Shares	Assigned Capital	Statutory Reserve Fund	Revaluation Reserves	Retained Earnings			
In Rupees Thousand									
Balance as at 01/01/2017 (Opening balance)	-	-	1,370,937	599,456	-	988,284	3,040,268	5,998,946	5,998,946
Profit/(loss) for the period	-	-	-	-	-	725,825	-	725,825	725,825
Other comprehensive income (net of Tax)	-	-	-	-	-	-	-	-	-
Transaction with Equity Holders									
Issued Share Capital	-	-	-	-	-	-	-	-	-
Transferred to Statutory Reserve Fund	-	-	-	-	-	-	-	-	-
Transferred to Special Reserve Fund	-	-	-	-	-	-	-	-	-
Transferred to General Reserve Fund	-	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-	-	-	-
Total Transaction with equity holders	-	-	-	-	-	-	-	-	-
Balance as at 30/09/2017 (Closing Balance)	-	-	1,370,937	599,456	-	1,714,109	3,040,268	6,724,770	6,724,770

SELECTED PERFORMANCE INDICATORS (AS PER REGULATORY REPORTING) AS AT 30TH SEPTEMBER 2017

Item	30/09/2017 (Unaudited)	31/12/2016* (Audited)
Regulatory Capital Adequacy		
Common Equity Tier 1 Capital Rs. '000	5,702,378	N/A