

# PRADESHIYA SANWARDHANA BA

A-ICRA

AFS

Loans & Receivables

STATEMENT OF	COMPREHENSIVE INCOM	F FOR THE PERIOD	ENDED 31 <sup>ST</sup> DECEMBER 2015

In Rupees Thousand	Current Year From 01/01/2015 To 31/12/2015 (Audited)	Previous Year From 01/01/2014 To 31/12/2014 (Audited)
Interest Income Interest Expenses	11,759,233 (5,168,680)	10,593,087 (5,310,868)
Net Interest Income Fee and Commission Income Fee and Commission Expenses	<b>6,590,552</b> 739,950 (114,175)	<b>5,282,219</b> 595,407 (90,296)
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)	625,776 (6) 10,936	505,111 - 56 - (2,138)
Total Operating Income Impairment for Loans & Other Losses Individual Impairment Collective Impairment Others	<b>7,227,257</b> (91,035) 368,700	<b>5,785,247</b> 452,378
Net Operating Income Personal Expenses Depreciation and Amortisation Other Expenses Levy Paid to general treasury	7,504,923 4,082,142 35,364 1,299,269 125,353	6,237,625 3,003,545 13,006 1,610,615 210,119
Operating Profit / (Loss) before Value Added Tax (VAT) Nation Building Tax Value Added Tax (VAT) on financial services	<b>1,962,795</b> (89,623) (413,904)	1,400,341 (67,382) (404,291)
Profit / (Loss) before tax Tax Expenses	<b>1,459,267</b> (576,808)	<b>928,668</b> (586,381)
Profit / (Loss) for the period	882,459	342,287
Profit attributable to : Share Holders Non-controlling Interest	882,459	342,287
Earning per share on profit Basic earning per ordinary share Diluted earning per ordinary share	6.44	3.04

### STATEMENT OF FINANCIAL POSITION AS AT 31st DECEMBER 2015

In Rupees Thousand	Current Year As at 31/12/2015 (Audited)	Previous Year As at 31/12/2014 (Audited)	
Assets Cash and cash equivalents Sri Lankan Government Securities	310,592 607,814	236,998 1,789,084	
Balance with banks Derivative financial instruments	15,813,955	26,165,415	
Financial assets held for trading	200	206	
Financial assets designated at fair value through profit or loss Loans and receivables given to banks	-	-	
oans and receivables given to other customers	87,907,153	61,579,235	
Financial Investments - Available-for-Sale Financial Investments - Held-to-Maturity	5	1	
nvestments in Subsidiaries	2	2	
nvestments in associate and Joint Ventures	3		
Property, plant and equipment	1,044,605	825,857	
Investment properties Goodwill and intangible assets	78,816	54,962	
Deffered Tax Assets	171,634	188,322	
Other assets	1,441,724	1,519,103	
Total assets	107,376,493	92,359,182	
Liabilities			
Due to banks	7,915,017	9,790,602	
Derivatives Financial Instruments	7	1	
Other Financial liabilities held for trading Financial liabilities designated at fair value through profit or loss		1	
Due to other customers	86,324,097	72,525,365	
Other Borrowings	-	-	
Debt securities issued	2,693,033		
Current tax liabilities			
Deffered Tax liabilities			
Other Provision	2 052 040	2 704 457	
Other liabilities Retirement benefit obligation	3,253,842 972,097	3,704,157 913,203	
Subordinated term debts	972,097	913,203	
Total Liabilities	101,158,085	86,933,327	
Equity	***************************************		
State Capital / Assigned Capital	1,370,937	1,370,937	
Statutory Reserve Fund	567,391	523,268	
Retained Earnings	1,400,133	872,318	
Other Reserves	2,879,946	2,659,332	
Total Shareholders' Equity Non-controlling interests	6,218,407	5,425,855	
Total Equity	6,218,407	5,425,855	
Total Equity and Liabilities	107,376,493	92,359,182	
Contingent Liabilities and Commitments	232,012	168,962	
Memorandum Information Number of permanent Employees Number of Branches	2,402 265	2,415 265	

### 1) Loans and Receivables given to other Customers

		Balk		
In Rupe	es Thousand	Current Period	Previous Period	
		As at 31/12/2015	As at 31/12/2014	
Gross lo	ans and receivables	89,469,402	63,127,940	
(less):	Zero rate loan fair value adjustment	(257,836)	(407,481)	
	Staff loan fair value adjustment	(508,043)		
	Individual impairment charges	(91,035)	1	
	Collective impairment charges	(705,335)	(1,141,224)	
through		87,907,163	61,679,235	
(Less): Le	oans and Receivables designated at fair value through profit & Loss		W 71 (#C	
Net loa	ns and receivables	87,907,163	61,579,235	

### 2) Loans and Receivables to other Customers - By product

	Bank		
In Rupees Thousand	Current Period	Previous Period	
	As at 31/12/2015	As at 31/12/2014	
By Product - Domestic Currency			
Overdrafts		140	
Term Loans	78,352,122	50,026,224	
Lease rentals receivables			
Credit Cards			
Pawning	7,653,380	10,615,275	
Other Loans (Staff Loans)	2,390,935	1,363,940	
Interest Receivable on Loans & Advances	1,072,966	1,122,501	
Sub Total	89,469,402	63,127,940	
By Product - Foreign Currency			
Overdrafts	-	170	
Term Loans		570	
Other Loans (Please Specify)		17.	
Sub Total		201	
Total	89,469,402	63,127,940	

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

	Bank			
In Rupees Thousand	Current Period As at 31/12/2015	Previous Period As at 31/12/2014		
Individual Impairment				
Opening Balance		S		
Charge / (Write back) to income statement	91,035	4		
Write-off during the year		17/1		
Other movements				
Closing Balance	91,035			
Collective Impairment				
Opening Balance	1,141,224	1,696,519		
Charge/(write Back) to income Statement	(368,700)	(452,378)		
Write-off during the year	-	(49)		
Other movements	(67,190)	(102,868)		
Closing Balance	705,335	1,141,224		
Total Impairment	796,369	1,141,224		

### 4)

	Bank			
In Rupees Thousand	Current Period As at 31/12/2015	Previous Period As at 31/12/2014		
By Product - Domestic Currency	AS at 31/12/2015	AS at 31/12/2014		
Dormant Deposits (Current Accounts)		SI.		
Savings Deposits	28,792,809	22,417,311		
Fixed Deposits	49,457,681	42,403,430		
Other Deposits (Long Term Savings)	8,073,607	7,704,624		
Sub Total	86,324,097	72,525,365		
By Product - Foreign Currency				
Dormant Deposits (Current Accounts)				
Savings Deposits		(*)		
Fixed Deposits	-	(40)		
Other Deposits (Please specify)		-		
Sub Total	5	37/4		
Total	86,324,097	72,525,365		

### ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS AS AT 31<sup>ST</sup> DECEMBER 2015

HFT

5			
	Bank	Current Period	

In Rupees Thousand

In Rupees Thousand	HFT	нтм	Amortized Cost	AFS	Total
Total Financial Assets	200	607,814	104,807,682		105,415,697
Other assets			775,983	ë	775,983
Financial Investments	(48)	2	300 E	12	7(1 90
Loans and receivables given to other customers			87,907,153		87,907,153
Loans and receivables given to banks	7.5	8	8	-	2.5-4.0
Financial assets held for trading	200	20	2	-	200
Derivative Financial Instruments		-	*	19	2000
Placements with banks	-	2	15,813,955	9	15,813,955
Sri Lanka government securities	323	607,814		-	607,814
Cash and cash equivalents		0000-000 PT0-PT0-CT7	310,592		310,592
ASSETS					

#### LIABILITIES 7,915,017 Due to banks 7,915,017 Derivative financial instruments Other financial liabilities at fair value through Due to other customers 86,324,097 86,324,097 Other Borrowings 2,693,033 2,693,033 Debt securities issued 96,932,146 Total Financial liabilities 96,932,146

### b. Bank - Previous Period

In Rupees Thousand	HFT	НТМ	Loans & Receivables	AFS	Total
ASSETS					
Cash and cash equivalents	4	2	236,998	-	236,998
Sri Lanka government securities	-	1,789,084	1475		1,789,084
Balances with central banks	-		26,165,415	-	26,165,415
Placements with banks		-	83 10 (80)		W 6 8
Derivative Financial instruments	<del></del>		( in )	20	×
Financial assets held for trading	206	2	(32)	15	206
Loans and receivables to banks	100	2	1/22	20	
Loans and receivables given to other customers			61,579,235	- 5	61,579,235
Other assets			617,826	F2	617,826
Total Financial Assets	206	1,789,084	88,599,473	-	90,388,764
	HFT	нтм	Amortized	AFS	Total

In Rupees Thousand	HFT	нтм	Amortized Cost	AFS	Total
LIABILITIES					
Due to banks	(#)		9,790,602		9,790,602
Derivative financial instruments	140	(a)	1990 OR -	12	N / /
Other financial liabilities at					
fair value through	5#8	*		-	×
Due to other customers			72,525,365	14	72,525,365
Other Borrowings		7.	010047007-024-0700701 (7)		
Debt securities issued		*1	*	· ·	
Total Financial liabilities	090	-	82,315,967	-	82,315,967

### STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31st DECEMBER 2015

	Бапк		
In Rupees Thousand	Current Period 31/12/2015	Previous Period 31/12/2014	
Cash Flows from Operating Activities			
Profit before tax	1,962,795	1,400,341	
Adjustment for:			
Non-Cash item included in Profits before tax	103,093	535,119	
Change in Operating assets	(24,796,383)	(3,203,230)	
Change in Operating Liabilities	12,674,110	11,025,663	
Other reclassification	(307)	19,821	
Contribution paid to defined benefit plans	(19,648)	(19,090)	
Tax paid	(1,157,331)	(360,709)	
Net cash generated from operating activites	(11,233,672)	9,397,915	
Cash flows from investing acttivities			
Purchase of property, plant and equipment	(413,677)	(170,028)	
Proceeds from the sale of property, plant and equipment	7,773	1,710	
Net purchase of intangible assets	(59,218)	(45,099)	
Net proceeds from sales of investment share market	120	692	
Net cash (used in)/from investing activities	(465,123)	(212,726)	
Cash flow from financing activities			
Net proceeds from the issue of ordinary share capital	(4)	271,537	
Net proceeds from the issue of subordinate debt	2,500,000		
Dividend paid	(137,094)	(21,130)	
Net cash from financing activities	2,362,906	250,407	
Net Increase / (decrease) in cash & cash equivalents	(9,335,889)	9,435,597	
Cash and cash equivalents at the beginning of the period	25,282,309	15,846,712	
Cash and cash equivalents at the end of the period	15,946,421	25,282,309	
Reconciliation of Cash & Cash Equivalents			
Cash and cash equivalents	310,592	236,998	
Favourable Balances with banks	15,813,955	26,165,415	
Unfavourable Balances with banks	(178,126)	(1,120,104)	
	15,946,421	25,282,309	

### STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31<sup>ST</sup> DECEMBER 2015

Bank	Stated Capital	Reserves					Total	Non controlling	Total
		Assigned Capital	Statutory Reserve Fund	Revaluation Reserve	Retained earning	Other reserves		Interest	equity
In rupees thousand									
Balance as at 01/01/2015 (Opening balance)	1,370,937		523,268		872,318	2,659,332	5,425,855	3	5,425,855
Profit / (loss) for the year					882,459	-	882,459		882,459
Other comprehensive income (net of Tax)					47,187	-	47,187	я	47,187
Transferred to Statutory Reserve Fund			44,123		(44,123)				
Transferred to Special Reserve Fund				. 4	(44,123)	44,123	12		
Transferred to General Reserve Fund	- 2	2		. 2	(176,492)	176,492	- 12		
Dividend 2014	2	2	S S	2	(137,094)	-	(137,094)	2	(137,094)
Total transaction with equity holders	9	2	44,123	8	(401,832)	220,615	(137,094)	3	(137,094)
Balance as at 31/12/2015 (closing balance)	1,370,937		567,391	5	1,400,133	2,879,947	6,218,407		6,218,407

### SELECTED PERFORMANCE INDICATORS (AS PER REGULATORY REPORTING)

Item	31/12/2015 (Audited)	31/12/2014 (Audited)	
Regulatory Capital Adequacy Core Capital (Tier 1 Capital) Rs. '000 Total Capital Base Rs. '000 Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 5%)	6,046,698 8,422,411 7.56%	5,237,530 5,467,181 8.87%	
Total Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 10%)	10.53%	9.26%	
Assets Quality (Quality of Loan Portfolio) Gross Non-Performing Advances Ratio, % (net of interest in Suspense) Net Non-Performing Advances Ratio, % (net of interest in Suspense and provision)	4.00% 3.28%	7.64% 5.88%	
Profitability Interest Margin, % Return on Assets (before Tax), % Return on Equity, % Return on Equity, % Regulatory Liquidity	6.60% 1.46% 15.16%	6.17% 1.09% 7.39%	
Regulatory Eiquidity Statutory Liquid Assets, Rs. '000 Statutory Liquid Assets Ratio, % (Minimum requirement, 20%) Domestic Banking Unit	18,534,483 21.77% 265	25,337,748 35.51% 265	

## Off-shore Banking Unit

13-Jun-16

We, the undersigned, being the Chief Finance Officer and the Chief Executive Officer of Pradeshiya Sanwardhana Bank, certify that, 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 31.12.2015 have been extracted from the audited financial statements of the bank. C. Kalupahana Chief Finance Officer

T.A. Ariyapala Chief Executive Officer