



PRADESHIYA SANWARDHANA BANK

"A" stable
ICRA LANKA

INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2018

INCOME STATEMENT - FOR THE PERIOD ENDED 30TH JUNE 2018

In Rupees Thousand	Current Period From 01/01/2018 To 30/06/2018 (Unaudited)	Previous Period From 01/01/2017 To 30/06/2017 (Unaudited)
Interest Income	11,891,835	9,152,955
Interest Expenses	(6,285,131)	(5,111,056)
Net Interest Income	5,606,703	4,041,900
Fee and Commission Income	478,730	434,514
Fee and Commission Expenses	(119,467)	(76,191)
Net Fee and Commission Income	359,263	358,323
Net Gain/(Loss) from trading	-	-
Net Gain/(Loss) from financial Instruments at fair value through profit or loss	-	7
Net gain/(Loss) from Financial Investments	-	-
Other Operating Income (net)	89	49,131
Total Operating Income	5,966,055	4,449,361
Impairment for Loans & Other Losses	-	-
Individual Impairment	-	-
Collective Impairment	(606,678)	(985,961)
Net Operating Income	5,359,378	4,163,400
Personnel Expenses	2,798,546	2,217,264
Depreciation and amortisation	156,894	110,689
Other Expenses	845,766	662,770
Operating Profit/(Loss) before Value Added Tax (VAT)	1,558,242	1,172,677
Nation Building Tax	(71,246)	(53,999)
Value Added Tax (VAT) on financial services	(534,344)	(404,995)
Profit/(Loss) before Tax	952,652	713,683
Tax Expenses	(493,639)	(347,701)
Profit/(Loss) for the period	459,014	365,982
Profit attributable to:		
Shareholders	459,014	365,982
Earning Per Share		
Basic earning per ordinary share	2.37	5.34

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30TH JUNE 2018

In Rupees Thousand	Current Period From 01/01/2018 To 30/06/2018 (Unaudited)	Previous Period From 01/01/2017 To 30/06/2017 (Unaudited)
Profit for the Period	459,014	365,982
Other Comprehensive Income/(expenses)		
Items that will not be reclassified to profit & Loss	-	-
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	459,014	365,982

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2018

In Rupees Thousand	Current Period As at 30/06/2018 (Unaudited)	Previous Year As at 31/12/2017 (Audited)
Assets		
Cash and cash equivalents	680,456	482,920
Sri Lankan Government Securities	2,511,528	2,512,363
Balances with banks	21,743,510	27,702,520
Placements with Banks	7,359,554	6,682,476
Financial assets held for trading	197	197
Financial assets designated at fair value through profit or loss	-	-
Loans and receivables given to banks	-	-
Loans and receivables given to other customers	133,072,201	127,508,812
Financial Investments - Available for sale	-	-
Financial Investments - Held to Maturity	516,935	516,935
Investments in Subsidiaries	-	-
Investments in associate and Joint Ventures	-	-
Property, Plant and Equipment	1,227,077	1,204,893
Investment Properties	-	-
Goodwill and intangible assets	44,819	37,843
Deferred Tax assets	343,879	343,879
Other Assets	3,843,759	2,266,366
Total assets	171,343,914	169,259,202
Liabilities		
Due to banks	11,112,335	10,729,312
Derivatives Financial instruments	-	-
Other Financial liabilities held for trading	-	-
Financial liabilities designated at fair value through profit or loss	-	-
Due to other customers	138,092,116	139,827,365
Debt issued and other borrowed funds	-	-
Debt Securities Issued	4,635,003	4,707,853
Other Provision	-	-
Other Liabilities	5,785,040	2,686,029
Retirement Benefits Obligation	1,647,659	1,695,895
Total liabilities	161,272,152	159,646,453
Equity		
State Capital/Assigned capital	3,870,937	3,870,937
Statutory Reserve Fund	663,652	663,652
Retained Earnings	2,175,922	1,716,909
Other Reserves	3,361,251	3,361,251
Total Shareholders' Equity	10,071,762	9,612,749
Non-Controlling Interests	-	-
Total Equity	10,071,762	9,612,749
Total Equity and Liabilities	171,343,914	169,259,202
Contingent Liabilities and Commitments	160,818	406,561
Memorandum Information		
Number of Permanent Employees	2,371	2,316
Number of Branches	265	265

1) Loans and Receivables to other Customers

In Rupees Thousand	Bank	
	Current Period As at 30/06/2018	Previous Year As at 31/12/2017 (Audited)
Gross loans and receivables	136,505,968	130,324,846
(Less): Zero rate loan fair value adjustment	(106,516)	(106,516)
Staff loan fair value adjustment	(745,241)	(745,241)
Individual impairment charges	(173,823)	(173,823)
Collective impairment charges	(2,408,187)	(1,790,453)
Net Loans and receivables including those designated at fair value through profit or loss	133,072,201	127,508,812
(Less): Loans and Receivables designated at fair value through profit & Loss	-	-
Net loans and receivables	133,072,201	127,508,812

2) Loans and Receivables to other Customers - By product

In Rupees Thousand	Bank	
	Current Period As at 30/06/2018	Previous Year As at 31/12/2017 (Audited)
By Product-Domestic Currency		
Term Loans	119,376,575	115,330,985
Pawning	10,051,735	9,511,755
Staff Loans	3,506,257	3,500,798
Interest Receivable on Loans & Advances	3,571,401	1,981,307
Total	136,505,968	130,324,846

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 30/06/2018	Previous Year As at 31/12/2017 (Audited)
Individual Impairment		
Opening Balance	173,823	24,184
Charge/(Write back) to Income Statement	-	149,640
Write-off during the period	-	-
Other movements	-	-
Closing Balance	173,823	173,823
Collective Impairment		
Opening Balance	1,790,453	1,504,275
Charge/(Write back) to Income Statement	606,678	294,227
Write-off during the period	-	-
Other movements	11,057	(8,049)
Closing Balance	2,408,187	1,790,453
Total Impairment	2,582,010	1,964,276

4) Due to other customers - By Product

In Rupees Thousand	Bank	
	Current Period As at 30/06/2018	Previous Year As at 31/12/2017 (Audited)
By Product-Domestic Currency		
Saving Deposits	30,834,832	28,050,273
Fixed Deposits	87,806,045	90,839,384
Long Term Savings	19,451,239	20,937,708
Total	138,092,116	139,827,365

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS AS AT 30TH JUNE 2018

In Rupees Thousand	a. Bank - Current Period				
	HFT	HTM	Loans & Receivables	AFS	Total
ASSETS					
Cash and cash equivalents	-	-	680,456	-	680,456
Sri Lankan Government Securities	-	2,511,528	-	-	2,511,528
Balances with other Banks	-	-	21,743,510	-	21,743,510
Placements with banks	-	-	7,359,554	-	7,359,554
Derivative Financial instruments	-	-	-	-	-
Financial assets held for trading	197	-	-	-	197
Financial assets held to maturity	-	516,935	-	-	516,935
Loans and receivables given to banks	-	-	-	-	-
Loans and receivables given to other customers	-	-	133,072,201	-	133,072,201
Financial Investments	-	-	-	-	-
Other Assets	-	-	1,190,875	-	1,190,875
Total Financial Assets	197	3,028,462	164,046,595	-	167,075,254

In Rupees Thousand	b. Bank - Previous Year as at 31.12.2017 (audited)				
	HFT	HTM	Amortized Cost	AFS	Total
LIABILITIES					
Due to banks	-	-	11,112,335	-	11,112,335
Derivative financial instruments	-	-	-	-	-
Other financial liabilities at fair value through profit or loss	-	-	-	-	-
Due to other customers	-	-	138,092,116	-	138,092,116
Debt securities issued	-	-	4,635,003	-	4,635,003
Other Liabilities	-	-	5,785,040	-	5,785,040
Total Financial Liabilities	-	-	159,624,494	-	159,624,494

In Rupees Thousand	a. Bank - Current Period				
	HFT	HTM	Loans & Receivables	AFS	Total
ASSETS					
Cash and cash equivalents	-	-	482,920	-	482,920
Sri Lankan Government Securities	-	2,512,363	-	-	2,512,363
Balances with other Banks	-	-	27,702,520	-	27,702,520
Placements with banks	-	-	6,682,476	-	6,682,476
Derivative Financial instruments	-	-	-	-	-
Financial assets held for trading	197	-	-	-	197
Financial assets held to maturity	-	516,935	-	-	516,935
Loans and receivables to banks	-	-	-	-	-
Loans and receivables given to other customers	-	-	127,508,812	-	127,508,812
Other Assets	-	-	1,203,617	-	1,203,617
Total Financial Assets	197	3,029,297	163,580,345	-	166,609,838

In Rupees Thousand	b. Bank - Previous Year as at 31.12.2017 (audited)				
	HFT	HTM	Amortized Cost	AFS	Total
LIABILITIES					
Due to banks	-	-	10,729,312	-	10,729,312
Derivative financial instruments	-	-	-	-	-
Other financial liabilities at fair value through profit or loss	-	-	-	-	-
Due to other customers	-	-	139,827,365	-	139,827,365
Debt securities issued	-	-	4,707,853	-	4,707,853
Other liabilities	-	-	2,686,029	-	2,686,029
Total Financial Liabilities	-	-	157,950,558	-	157,950,558

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2018

In Rupees Thousand	Bank	
	Current Period 30/06/2018	Previous Period 30/06/2017
Cash Flows from Operating Activities		
Profit before tax	1,558,242	1,172,677
Adjustment for:		
Non-Cash item included in Profits before tax	955,881	561,245
Change in Operating assets	(8,078,090)	(10,421,455)
Change in Operating Liabilities	1,746,785	14,593,135
Other reclassification	-	-
Contribution paid to defined benefit plans	(48,236)	(99,398)
Tax paid	(1,027,599)	(359,830)
Net cash generated from operating activities	(4,893,017)	5,223,444
Cash flows from investing activities		
Purchase of property, plant and equipment	(100,066)	(133,031)
Proceeds from the sale of property, plant and equipment	44	244
Net Purchase of intangible assets	(6,977)	(1,062)
Net cash (used in)/from investing activities	(106,998)	(133,849)
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	(266,971)	(1,251)
Dividend paid	-	-
Net cash from financing activities	(266,971)	1,998,749
Net increase / (decrease) in cash & cash equivalents	(5,266,985)	7,388,343
Cash and cash equivalents at the beginning of the period	34,702,875	19,056,079
Cash and cash equivalents at the end of the period	29,435,890	26,444,421
Reconciliation of Cash & Cash Equivalents		
Cash and cash equivalents	680,456	564,755
Favourable Balances with banks	29,103,063	26,369,002
Unfavourable Balances with banks	(347,630)	(482,336)
	29,435,890	26,444,421

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30TH JUNE 2018

Bank	Stated Capital	Reserves					Total	Non-Controlling Interest	Total Equity
	Ordinary voting Shares	Assigned Capital	Statutory Reserve Fund	Revaluation Reserves	Retained Earnings	Other Reserves			
In Rupees Thousand									
Balance as at 01/01/2018 (Opening balance)	3,870,937	-	663,652	-	1,716,909	3,361,251	9,612,749	-	9,612,749
Profit/(loss) for the Period	-	-	-	-	459,014	-	459,014	-	459,014
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 30/06/2018 (Closing Balance)	3,87,937	-	663,652	-	2,175,923	3,361,251	10,071,762	-	10,071,762

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