



PRADESHIYA SANWARDHANA BANK

"A" Negative
ICRA Lanka

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2019

INCOME STATEMENT FOR THE PERIOD ENDED 30TH JUNE 2019

| Rupees Thousands | Bank | |
|---|--|---|
| | Current Period 30/06/2019 (unaudited) | Previous Period 30/06/2018 (unaudited) |
| Interest income | 12,528,885 | 11,891,835 |
| Interest expenses | (6,543,838) | (6,285,131) |
| Net interest income | 5,985,048 | 5,606,703 |
| Fee and commission income | 390,397 | 478,730 |
| Fee and commission expenses | (136,842) | (119,467) |
| Net fee and commission income | 253,555 | 359,263 |
| Net gains/(losses) from trading | 9 | - |
| Net fair value gains/(losses) on: | - | - |
| financial assets at fair value through profit or loss | - | - |
| financial liabilities at fair value through profit or loss | - | - |
| Net gains/(losses) on derecognition of financial assets: | - | - |
| at fair value through profit or loss | - | - |
| at amortised cost | - | - |
| at fair value through other comprehensive income | - | - |
| Net other operating income | 6,609 | 89 |
| Total operating income | 6,245,021 | 5,966,055 |
| Impairment charges | (1,261,353) | (606,678) |
| Net operating income | 4,983,668 | 5,359,378 |
| Personnel expenses | (2,738,110) | (2,798,546) |
| Depreciation and amortization expenses | (190,082) | (156,824) |
| Other expenses | (849,415) | (845,766) |
| Operating profit/(loss) before VAT & NBT on financial services | 1,206,261 | 1,558,242 |
| Value Added Tax (VAT) on financial services | (482,472) | (534,344) |
| Debt repayment levy | (262,407) | - |
| Nation Building Tax (NBT) on financial services | (64,406) | (71,246) |
| Operating profit/(loss) after VAT & NBT on financial services | 396,976 | 952,652 |
| Share of profits of associates and joint ventures | - | - |
| Profit/(loss) before tax | 396,976 | 952,652 |
| Income tax expenses | (317,994) | (493,639) |
| Profit/(loss) for the period | 78,982 | 459,014 |
| Profit attributable to: | | |
| Equity holders of the parent | 78,982 | 459,014 |
| Non-controlling interests | - | - |
| Earnings per share on profit | | |
| Basic earnings per ordinary share | 0.14 | 2.37 |
| Diluted earnings per ordinary share | - | - |

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2019

| Rupees Thousands | Bank | |
|--|---|--|
| | Current Period 30/06/2019 Unaudited | Previous Year 31/12/2018 Audited |
| Assets | | |
| Cash and cash equivalents | 2,871,117 | 689,184 |
| Balances with central banks | - | - |
| Placements with banks | 9,790,468 | 6,496,628 |
| Derivative financial instruments | - | - |
| Financial assets recognized through profit or loss | - | - |
| - measured at fair value | 116 | 116 |
| - designated at fair value | - | - |
| Financial assets at amortized cost | - | - |
| - loans and advances | 132,240,588 | 133,432,804 |
| - debt and other instruments | 37,999,852 | 27,757,514 |
| Financial assets measured at fair value through other comprehensive income | 2,290 | 4,176,343 |
| Investment in subsidiaries | - | - |
| Investments in associates and joint ventures | - | - |
| Property, plant and equipment | 1,366,248 | 1,275,786 |
| Investment properties | - | - |
| Goodwill and intangible assets | 65,843 | 60,788 |
| Deferred tax assets | 467,333 | 467,333 |
| Other assets | 3,077,710 | 2,580,824 |
| Total assets | 187,881,565 | 176,937,319 |
| Liabilities | | |
| Due to banks | 16,635,220 | 11,098,335 |
| Derivative financial instruments | - | - |
| Financial liabilities recognized through profit or loss | - | - |
| - measured at fair value | - | - |
| - designated at fair value | - | - |
| Financial liabilities at amortized cost | - | - |
| - due to depositors | 143,840,189 | 141,559,974 |
| - due to debt securities holders | - | - |
| - due to other borrowers | - | - |
| Debt securities issued | 4,619,011 | 4,707,853 |
| Retirement benefit obligations | 1,892,652 | 1,926,924 |
| Current tax liabilities | 381,383 | 473,833 |
| Deferred tax liabilities | - | - |
| Other provisions | - | - |
| Other liabilities | 5,707,521 | 2,460,286 |
| Due to subsidiaries | - | - |
| Total liabilities | 173,075,975 | 162,927,205 |
| Equity | | |
| Stated capital/Assigned capital | 8,047,230 | 8,047,230 |
| Statutory reserve fund | 717,331 | 717,331 |
| OCI reserve | - | - |
| Retained earnings | 2,411,382 | 2,315,906 |
| Other reserves | 3,629,647 | 3,629,647 |
| Total shareholders' equity | 14,805,590 | 14,710,115 |
| Non-controlling interests | - | - |
| Total equity | 14,805,590 | 14,710,115 |
| Total equity and liabilities | 187,881,565 | 176,937,319 |
| Contingent liabilities and commitments | 244,711 | 212,759 |
| Memorandum Information | | |
| Number of Employees | 2,753 | 2,335 |
| Number of Branches | 273 | 265 |
| Note: Amounts stated are net of impairment and depreciation. | | |

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30TH JUNE 2019

| Rupees Thousands | Bank | |
|--|--|---|
| | Current Period 30/06/2019 (unaudited) | Previous Period 30/06/2018 (unaudited) |
| Profit/(loss) for the period | 78,982 | 459,014 |
| Items that will be reclassified to income statement | | |
| Exchange differences on translation of foreign operations | - | - |
| Net gains/(losses) on cash flow hedges | - | - |
| Net gains/(losses) on investments in debt instruments measured at fair value through other comprehensive income | - | - |
| Share of profits of associates and joint ventures | - | - |
| Debt instruments at fair value through other comprehensive income | - | - |
| Others (specify) | - | - |
| Less: Tax expense relating to items that will be reclassified to income statement | - | - |
| Items that will not be reclassified to income statement | | |
| Change in fair value on investments in equity instruments designated at fair value through other comprehensive income | - | - |
| Change in fair value attributable to change in the Bank's own credit risk on financial liabilities designated at fair value through profit or loss | - | - |
| Re-measurement of post-employment benefit obligations | - | - |
| Changes in revaluation surplus | - | - |
| Share of profits of associates and joint ventures | - | - |
| Others (specify) | - | - |
| Less: Tax expense relating to items that will not be reclassified to income statement | - | - |
| Other Comprehensive Income (OCI) for the period, net of taxes | | |
| Total comprehensive income for the period | 78,982 | 459,014 |
| Attributable to: | | |
| Equity holders of the parent | 78,982 | 459,014 |
| Non-controlling interest | - | - |

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30TH JUNE 2019

| Rupees Thousands | Stated capital/Assigned Capital | | | | Reserves | | | | Total | Non Controlling interest | Total Equity |
|---|---------------------------------|---------------------------|------------------|------------------------|-------------|---------------------|---------------|------------|-------|--------------------------|--------------|
| | Ordinary Voting Share | Ordinary Non Voting Share | Assigned Capital | Statutory Reserve Fund | OCI Reserve | Revaluation Reserve | Other Reserve | | | | |
| Balance as at 01/01/2019 (Opening balance) | - | - | 8,047,230 | 717,331 | - | - | 5,945,553 | 14,710,115 | - | 14,710,115 | |
| Total comprehensive income for the period | - | - | - | - | - | - | 78,982 | 78,982 | - | 78,982 | |
| Profit/(loss) for the period (net of tax) | - | - | - | - | - | - | 78,982 | 78,982 | - | 78,982 | |
| Other comprehensive income (net of tax) | - | - | - | - | - | - | - | - | - | - | |
| Total comprehensive income for the period | - | - | - | - | - | - | 78,982 | 78,982 | - | 78,982 | |
| Transactions with equity holders, recognised directly in equity | | | | | | | | | | | |
| Share issue/increase of assigned capital | - | - | - | - | - | - | - | - | - | - | |
| Share options exercised | - | - | - | - | - | - | - | - | - | - | |
| Bonus issue | - | - | - | - | - | - | - | - | - | - | |
| Rights issue | - | - | - | - | - | - | - | - | - | - | |
| Transfers to reserves during the period | - | - | - | - | - | - | - | - | - | - | |
| Dividends to equity holders | - | - | - | - | - | - | - | - | - | - | |
| Profit transferred to head office | - | - | - | - | - | - | - | - | - | - | |
| Gain/(loss) on revaluation of Property, Plant and Equipment (if cost method is adopted) | - | - | - | - | - | - | - | - | - | - | |
| Others (profits after acquisition) | - | - | - | - | - | - | 16,494 | 16,494 | - | 16,494 | |
| Total transactions with equity holders | - | - | - | - | - | - | 16,494 | 16,494 | - | 16,494 | |
| Balance as at 30/06/2019 | - | - | 8,047,230 | 717,331 | - | - | 6,041,029 | 14,805,590 | - | 14,805,590 | |

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS AS AT 30TH JUNE 2019

a. Bank - Current Period

| Rupees Thousands | AC | FVPL | FVOCI | TOTAL |
|---|--------------------|------------|--------------------|--------------------|
| ASSETS | | | | |
| Cash and cash equivalents | 2,871,117 | - | - | 2,871,117 |
| Balances with central banks | - | - | - | - |
| Placements with banks | 9,790,468 | - | - | 9,790,468 |
| Equity Instruments at fair value through profit or loss | - | 116 | - | 116 |
| Loans and advances | 132,240,588 | - | - | 132,240,588 |
| Debt instruments | 37,999,852 | - | - | 37,999,852 |
| Equity instruments | - | - | 2,290 | 2,290 |
| Other Assets | 1,684,653 | - | - | 1,684,653 |
| Total Financial Assets | 184,586,678 | 116 | 2,290 | 184,589,084 |
| LIABILITIES | | | | |
| Due to banks | - | - | 16,635,220 | 16,635,220 |
| Derivative financial instruments | - | - | - | - |
| Financial liabilities | - | - | - | - |
| - due to depositors | - | - | 143,840,189 | 143,840,189 |
| - due to debt securities holders | - | - | 4,619,011 | 4,619,011 |
| - due to other borrowers | - | - | - | - |
| Other Liabilities | - | - | 4,354,271 | 4,354,271 |
| Total Financial Liabilities | | | 169,448,691 | 169,448,691 |

b. Bank - Previous year (Audited)

| Rupees Thousands | AC | FVPL | FVOCI | TOTAL |
|---|--------------------|------------|--------------------|--------------------|
| ASSETS | | | | |
| Cash and cash equivalents | 689,184 | - | - | 689,184 |
| Balances with central banks | - | - | - | - |
| Placements with banks | 6,496,628 | - | - | 6,496,628 |
| Equity Instruments at fair value through profit or loss | - | 116 | - | 116 |
| Loans and advances | 133,432,804 | - | - | 133,432,804 |
| Debt instruments | 27,757,514 | - | - | 27,757,514 |
| Equity instruments | - | - | 4,176,343 | 4,176,343 |
| Other Assets | 1,448,173 | - | - | 1,448,173 |
| Total Financial Assets | 169,824,303 | 116 | 4,176,343 | 174,000,762 |
| LIABILITIES | | | | |
| Due to banks | - | - | 11,098,335 | 11,098,335 |
| Derivative financial instruments | - | - | - | - |
| Financial liabilities | - | - | - | - |
| - due to depositors | - | - | 141,559,974 | 141,559,974 |
| - due to debt securities holders | - | - | 4,707,853 | 4,707,853 |
| - due to other borrowers | - | - | - | - |
| Other Liabilities | - | - | 1,714,680 | 1,714,680 |
| Total Financial Liabilities | | | 159,080,841 | 159,080,841 |

ANALYSIS OF LOANS & ADVANCES, COMMITMENTS, CONTINGENCIES AND IMPAIRMENT AS AT 30TH JUNE 2019

| Rupees Thousands | Bank | | Rupees Thousands | Bank | |
|---|---|--|--------------------|---|--|
| | Current Period 30/06/2019 (Unaudited) | Previous Year 31/12/2018 (Audited) | | Current Period 30/06/2019 (Unaudited) | Previous Year 31/12/2018 (Audited) |
| Product-wise Gross loans & advances | | | | | |
| By product - Domestic currency | | | | | |
| Overdrafts | - | - | - | - | - |
| Term loans | 98,319,628 | 95,662,608 | - | - | - |
| Leasing | 1,006,215 | - | - | - | - |
| Pawning | 12,385,625 | 11,381,435 | - | - | - |
| Refinance | 18,044,659 | 21,301,549 | - | - | - |
| Liya Isura | 64,652 | 102,392 | - | - | - |
| Staff Loan | 3,755,975 | 3,533,758 | - | - | - |
| Loans Against Deposits | 6,099,778 | 5,787,942 | - | - | - |
| Sub total | 139,606,532 | 137,769,683 | | | |
| By product - Foreign currency | | | | | |
| Overdrafts | - | - | - | - | - |
| Term loans | - | - | - | - | - |
| Guarantees | - | - | - | - | - |
| Bonds | - | - | - | - | - |
| Other loans (specify) | - | - | - | - | - |
| Sub total | 139,606,532 | 137,769,683 | | | |
| Product-wise commitments and contingencies | | | | | |
| By product - Domestic currency | | | | | |
| Guarantees | 119,061 | 130,591 | - | - | - |
| Bonds | - | - | - | - | - |
| Undrawn credit lines | - | - | - | - | - |
| Other commitments (specify) | - | - | - | - | - |
| Other contingencies (Bill Purchase) | 203,669 | 83,883 | - | - | - |
| Sub total | 322,730 | 214,475 | | | |
| By product - Foreign currency | | | | | |
| Guarantees | - | - | - | - | - |
| Bonds | - | - | - | - | - |
| Undrawn credit lines | - | - | - | - | - |
| Other commitments (specify) | - | - | - | - | - |
| Sub total | 322,730 | 214,475 | | | |
| Other contingencies (specify) | | | | | |
| Sub total | - | - | 322,730 | 214,475 | |
| Stage-wise impairment on loans & advances, commitments and contingencies | | | | | |
| Gross loans and advances, commitments and contingencies | | | 139,929,262 | 137,984,158 | |
| Less: Accumulated impairment under stage 1 | | | 980,453 | 1,016,252 | |
| Accumulated impairment under stage 1 | | | 889,171 | 928,793 | |
| Accumulated impairment under stage 2 | | | 3,242,437 | 1,553,073 | |
| Accumulated impairment under stage 3 | | | - | - | |
| Net value of loans and advances, commitments and contingencies | | | 134,817,201 | 134,486,041 | |
| Movement of impairment during the period | | | | | |
| Under Stage 1 | | | | | |
| Charge/(Write back) to income statement | | | - | 282,207 | |
| Write-off during the period | | | - | - | |
| | | | | | |