

PRADESHIYA SANWARDHANA BANK "A" Negative ICBA Lanka ICRA Lanka FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH SEPTEMBER 2019

Refinance

Liya Isura

Staff Loan

Loans Against Deposits

INCOME STATEMENT FOR THE PERIOD ENDED 30TH SEPTEMBER 2019

STATEMENT OF FINANCIAL POSITION AS AT 30TH SEPTEMBER 2019

	Ba	Bank			
Rupees Thousands	Current Period 30/09/2019 (unaudited)	Previous Period 30/09/2018 (unaudited)			
Interest income	18,989,356	18,049,074			
Interest expenses	(9,872,423)	(9,494,933)			
Net interest income Fee and commission income Fee and commission expenses	9,116,932 651,112 (210,379)	8,554,141 734,505 (184,284)			
Net fee and commission income Net gains/(losses) from trading 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	440,734 4,394 - - - - -	550,221 - (39) - - - -			
Net other operating income	10,859	2,984			
Total operating income Impairment charges	9,572,918 (1,910,620)	9,107,307 (913,398)			
Net operating income Personnel expenses Depreciation and amortization expenses Other expenses	7,662,298 (4,223,604) (289,872) (1,312,131)	8,193,908 (4,405,446) (234,958) (1,330,041)			
Operating profit/(loss) before VAT, DRL & NBT on financial services Value Added Tax (VAT) on financial services Debt repayment levy Nation Building Tax (NBT) on financial services	1,836,691 (720,900) (414,710) (96,053)	2,223,463 (811,470) (108,196)			
Operating profit/(loss) after VAT, DRL & NBT on financial services Share of profits of associates and joint ventures	605,028	1,303,798			
Profit/(loss) before tax Income tax expenses Profit/(loss) for the period	605,028 (471,452) 133,576	1,303,798 (686,430) 617,368			
Profit attributable to: Equity holders of the parent Non-controlling interests	133,576	617,368 -			
Earnings per share on profit Basic earnings per ordinary share Diluted earnings per ordinary share	0.25	2.13 -			

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

	Bank			
Rupees Thousands	Current Period 30/09/2019 (unaudited)	Previous Period 30/09/2018 (unaudited)		
Profit/(loss) for the period	133,576	617,368		
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	133,576	617,368		
Attributable to:				
Equity holders of the parent	133,576	617,368		
Non-controlling interest	-	-		

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS AS AT 30th september 2019

bd
bd

a.

Rupees Thousands	AC	FVPL	FVOCI	TOTAL
ASSETS				
Cash and cash equivalents	1,053,316	-	-	1,053,316
Balances with central banks	-	-	-	-
Placements with banks	10,605,344	-	-	10,605,344
Equity Instruments at fair value through profit or loss	-	2,406	-	2,406
Loans and advances	132,790,093	-	-	132,790,093
Debt instruments	40,303,092	-	-	40,303,092
Equity instruments	-	-	-	-
Other Assets	1,717,596			1,717,596
Total Financial Assets	186,469,441	2,406	-	186,471,846
Rupees Thousands			Amortized Cost	TOTAL
LIABILITIES			7	
Due to banks			11,895,831	11,895,831
Derivative financial instruments			11,075,051	11,075,051
Financial liabilities			_	-
- due to depositors			146,461,414	146,461,414
- due to debt securities holders			-	-
- due to other borrowers			7,172,749	7,172,749
Debt securities issued			4,753,418	4,753,418
Other Liabilities			2,774,482	2,774,482
Total Financial Liabilities			173,057,893	173,057,893
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
Rupees Thousands			Amortized Cost	TOTAL
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			-	-
- due to other borrowers Debt securities issued			4 707 052	4 707 052
Other Liabilities			4,707,853 1,714,680	4,707,853 1,714,680
Total Financial Liabilities			159,080,841	1,714,680 159,080,841
	1		137,000,041	137,000,041

	Ba	Bank			
Rupees Thousands	Current Period 30/09/2019 (Unaudited)	Previous Period 31/12/2018 (Audited)			
Assets					
Cash and cash equivalents	1,053,316	689,184			
Balances with central banks Placements with banks	10,605,344	6,496,628			
Derivative financial instruments	10,005,544	-			
Financial assets recognized through profit or loss		-			
- measured at fair value	2,406	116			
- designated at fair value Financial assets at amortized cost	-	-			
- loans and advances	132,790,093	133,432,804			
- debt and other instruments Financial assets measured at fair value through other comprehensive income	40,303,092	27,757,514			
Investment in subsidiaries	-	4,176,343			
Investments in associates and joint ventures	-	-			
Property, plant and equipment	1,340,547	1,275,786			
Investment properties Goodwill and intangible assets	- 74,755	60,788			
Deferred tax assets	467,333	467,333			
Other assets	3,692,777	2,580,824			
Total assets	190,329,661	176,937,319			
Liabilities	11 005 001	11.000.005			
Due to banks Derivative financial instruments	11,895,831	11,098,335			
Financial liabilities recognized through profit or loss					
- measured at fair value	-	-			
- designated at fair value	-	-			
Financial liabilities at amortized cost - due to depositors	146,461,414	141,559,974			
- due to debt securities holders	-	-			
- due to other borrowers	7,172,749	-			
Debt securities issued	4,753,418	4,707,853			
Retirement benefit obligations Current tax liabilities	1,847,642	1,926,924			
Deferred tax liabilities	256,491	473,833			
Other provisions	-	-			
Other liabilities	3,308,102	2,460,286			
Due to subsidiaries Total liabilities	175,695,646	162,227,205			
Equity	175,095,040	102,227,205			
Stated capital/Assigned capital	8,047,230	8,047,230			
Statutory reserve fund	724,010	717,331			
OCI reserve	-	-			
Retained earnings	2,233,128	2,315,906			
Other reserves	3,629,647	3,629,647			
Total shareholders' equity	14,634,015	14,710,115			
Non-controlling interests	-	-			
Total equity	14,634,015	14,710,115			
Total equity and liabilities	190,329,661	176,937,319			
Contingent liabilities and commitments	289,302	212,759			
Memorandum Information	0 7 4 7	0.225			
Number of Employees Number of Branches	2,747 273	2,335 265			
Note: Amounts stated are net of impairment and depreciation.	2/3	200			
Hote, A mounte stated are net of implaintent and depreciation.					

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

	Stated c	apital/Assigned	Canital			Reserves					
Rupees Thousands	Ordinary Voting Share	Ordinary Non Voting Share	Assigned Capital	Statutory Reserve Fund	OCI Reserve	Revoluation Reserve	Retained Earnings	Other Reserve	Total	Non Controling interest	Total Equity
Balance as at 01/01/2019 (Opening balance)	-		8,047,230	717,331	-	-	2,315,906	3,629,647	14,710,115	-	14,710,115
Total comprehensive income for the period Profit/(loss) for the period (net of tax) Other comprehensive income (net of tax)	-	-	-	-	-	-	133,576	-	133,576	-	133,576
Total comprehensive income for the period	-	-	-	-	-	-	133,576	-	133,576	-	133,576
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	-	-	-	6,679	-	-	(6,679)	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	(193,547)	-	(193,547)	-	(193,547)
Contribution to the National Insurance Trust Fund	-	-	-	-	-	-	(4,744)	-	(4,744)	-	(4,744)
Gain/(loss) on revaluation of Property, Plant and											
Equipment (if cost method is adopted)	-	-	-	-	-	-	-	-	-	-	-
Profits/(Loss) after acquisition	-	-	-	-	-	-	(11,384)	-	(11,384)	-	(11,384)
Total transactions with equity holders	-	-	-	6,679	-	-	(216,354)	-	(209,675)	-	(209,675)
Balance as at 30/09/2019	-	-	8,047,230	724,010	-	-	2,233,128	3,629,647	14,634,015	-	14,634,015

ANALYSIS OF LOANS & ADVANCES, COMMITMENTS, CONTINGENCIES AND IMPAIRMENT AS AT 30TH SEPTEMBER 2019 Bank Bank **Current Period Previous Year Previous Year Current Period** Rupees Thousands **Rupees Thousands** 30/09/2019 31/12/2018 30/09/2019 31/12/2018 (Unaudited) (Audited) (Unaudited) (Audited) Product-wise Gross loans & advances By product – Domestic currency Other contingencies (specify) Sub total Total 1 97,793,743 827,904 Term loans 95,662,608 349,987 214,475 Leasing Stage-wise impairment on loans & 12,998,240 11,381,435 Pawning advances, commitments and

contingencies

Gross loans and advances.

commitments and contingencies

Less: Accumulated impairment under

141,155,485

954.404

137,984,158

1.016.252

21,301,549 102,392

3,533,758

5,787,942

18,902,652 51,747

3,779,515

6,318,870

Loans Against Deposits	0,310,070	5,767,942	Less: Accumulated impairment under	934,404	1,010,252
SME	132,828	-	stage 1		
Sub total	140,805,499	137,769,683	Accumulated impairment under	901,966	928,793
			stage 2		
By product – Foreign currency			Accumulated impairment under	3,065,097	1,553,073
Overdrafts	-	-	stage 3		
Term Ioans	-	-	Net value of loans and advances,	136,234,017	134,486,041
Guarantees	-	-	commitments and contingencies	,,	,
Bonds	_	-	Movement of impairment during the period		
Other loans (specify)	_	_	Under Stage 1		
Sub total			Charge/(Write back) to income	_	282,207
	440.005.400	407 7/0 /00	statement		202,207
Total	140,805,499	137,769,683	Write-off during the period		
Product-wise commitments and			Other movements	-	-
contingencies			Closing balance at 30/09/2019	954,404	1,016,252
			Under Stage 2	954,404	1,010,252
By product – Domestic currency	400.007	100 501	Charge/(Write back) to income		(100 701)
Guarantees	120,207	130,591	j i j	-	(100,701)
Bonds	-	-	statement		
Undrawn credit lines	-	-	Write-off during the period	-	-
Other commitments (specify)	-	-	Other movements	-	
Other contingencies (Bill Purchase)	229,780	83,883	Closing balance at 30/09/2019	901,966	928,793
Sub total	349,987	214,475	Under Stage 3		4 000 070
500 101ai	J47,707	214,475	Charge/(Write back) to income	-	1,228,279
By product – Foreign currency			statement		
Guarantees			Write-off during the period	-	(860)
Bonds	-	-	Other movements	-	145
	-	-	Closing balance at 30/09/2019	3,065,097	1,553,073
Undrawn credit lines	-	-	Total impairment under SLFRS 9	4,921,468	3,498,118
Other commitments (specify)	-	-		.,1,	-,

ANALYSIS OF DEPOSITS AS AT 30TH SEPTEMBER 2019 Bank

	Du			1 50	- I
Rupees Thousands	Current Period 30/09/2019 (Unaudited)	Previous Year 31/12/2018 (Audited)	Rupees Thousands	Current Period 30/09/2019 (Unaudited)	Previous Year 31/12/2018 (Audited)
By product – Domestic currency Demand deposits (current accounts) Savings deposits Fixed deposits Others (Specify)	- 55,158,348 91,303,066	- 51,519,810 90,040,163	By product – Foreign currency Demand deposits (current accounts) Savings deposits Fixed deposits Others (Specify)		- - -
Sub total	146,461,414	141,559,974	Sub total	-	-
			Total	146,461,414	141,559,974

SELECTED PERFORMANCE INDICATORS AS AT 30TH SEPTEMBER 2019 (Based on Regulatory Reporting)

		1		
	Item	30/09/2019 (Unaudited)	31/12/2018 (Audited)	
Regulatory Capital Adequacy (LKR in Thousa	ands)			
Common Equity Tier 1		13,987,423 13,987,423	14,181,936 14,181,936	
Core (Tier 1) Capital				
Total Capital Base		16,660,380	16,675,294	
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital (%) (Minimu		10.45%	11.58%	
Tier 1 Capital Ratio (%) (Minimum Requiren		10.45%	11.58%	
Total Capital Ratio (%) (Minimum Requirem	ent - 12.5%)	12.50%	13.61%	
Leverage Ratio (Minimum Requirement - 3%)		7.23%	N/A	
Regulatory Liquidity				
Statutory Liquid Assets (LKR in Thousands)		41,650,949	34,264,681	
Statutory Liquid Assets Ratio (%) (Minimum	n Requirement - 20%)	29.31%	24.27%	
Domestic Banking Unit (%)		-	-	
Off-Shore Banking Unit (%)		-	-	
Total Stock of High-Quality Liquid Assets (LKR ir		8,286,930	4,787,274	
Liquidity Coverage Ratio (%) (Minimum Require	ment - 100%)			
Rupee (%)		170.09%	113.83%	
All Currency (%)		-	-	
Net Stable Funding Ratio (%) - (Minimum Requi	rement - 100%)	136.00%	114.00%	
Assets Quality (Quality of Loan Portfolio)				
Gross Non-Performing Advances Ratio (%)	(net of interest in suspense)	10.82%	5.36%	
Net-Non Performing Advances (%) (net of	interest in suspense and provision)	5.87%	2.78%	
Profitability				
Interest Margin (%)		6.62%	6.88%	
Return on Assets (before Tax) (%)	0.44%	1.21%		
Return on Equity (%)		1.21%	10.65%	
CERTIFICATION:				
We, the undersigned, being the Chief Financial Offic	er, Chief Executive Officer and Chairman of Pradeshiya S	anwardhana Bank jointly certi	fy that:	
(a) the above statements have been prepared in	compliance with the format and definitions prescribed	by the Central Bank of Sri Lank	ka;	
(b) the information contained in these statements	has been extracted from the unaudited financial statem	ents of the bank unless indic	ated as audited.	
P.S. Edirisuriya ((Sgd.) Chief Financial Officer	T. Kuhan (Sgd.) Chief Executive Officer	S. Prasanna Kar	iyawasam (Sgd.) Chairmar	
Date: 26.11.2019	Date: 26.11.2019	Date: 26.11.2019		

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH SEPTEMBER 2019

	Bank			
Rupees Thousands	Current Period 30/09/2019 (unaudited)	Previous Period 30/09/2018 (unaudited)		
Cash flow from operating activities				
Profit before tax	1,836,691	2,223,463		
Adjustment for:				
Non-cash items included in profit before tax	2,465,169	1,417,371		
Changes in operating assets	(469,242)	(9,874,622)		
Changes in operating liabilities	7,444,519	6,616,739		
Net gain from investment activities	-	-		
Share of profits in associates and joint ventures	-	-		
Dividend income from subsidiaries and associates	-	-		
Net gain/(loss) from financial instruments				
at fair value through profit or loss	-	-		
Others reclassification	-	-		
Contribution paid to defined benefit plans	(104,857)	(64,009)		
Taxes on financial services	(699,207)	(811,470)		
Tax Paid	(1,385,379)	(1,080,916)		
Net cash generated from/(used in) operating activities	9,082,950	(1,573,444)		
Cash flows from investing activities				
Purchase of Property, plant and equipment	(459,425)	(226,668)		
Net purchase of intangible assets	(46,827)	(47,681)		
Investment in Fixed deposits (more than three months)	(2,642,296)	(10,619,410)		
Proceeds from the sale of property, plant and equipment	-	208		
Net proceeds from sales of investment share market	-	-		
Net cash (used in)/from investing activities	(3,148,548)	(10,893,551)		
Cash flows from financing activities				
Net proceeds from the issue of ordinary share capital	-	-		
Net proceeds from the other borrowings Interest paid on debentures	7,172,749 (401,378)	- (401,378)		
Net cash from financing activities	6,771,371	(401,378)		
Net increase/(decrease) in cash & cash equivalents	12,710,517	· · ·		
	9,639,017	(12,868,373) 34,702,875		
Cash & cash equivalents at the beginning of the period Cash and cash at the end of the period	/ /	· · ·		
	22,349,534	21,834,503		
Reconciliation of Cash & Cash Equivalents				
Cash and cash equivalent	1,053,316	752,391		
Favorable balances with banks				
Placements with Banks	10,605,344	11,875,726		
Fixed deposits less than three months	11,184,025	9,800,000		
Unfavorable balances with banks	(493,151)	(593,614)		
	22,349,534	21,834,503		