



PRADESHIYA SANWARDHANA BANK

"A" Negative
ICRA Lanka

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH SEPTEMBER 2019

INCOME STATEMENT FOR THE PERIOD ENDED 30TH SEPTEMBER 2019

Rupees Thousands	Bank	
	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	9,116,932	8,554,141
Fee and commission income	651,112	734,505
Fee and commission expenses	(210,379)	(184,284)
Net fee and commission income	440,734	550,221
Net gains/(losses) from trading	4,394	-
Net fair value gains/(losses) on:		
financial assets at fair value through profit or loss	-	(39)
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	10,859	2,984
Total operating income	9,579,918	9,107,307
Impairment charges	(1,910,620)	(913,398)
Net operating income	7,662,298	8,193,908
Personnel expenses	(4,223,604)	(4,405,446)
Depreciation and amortization expenses	(289,872)	(234,958)
Other expenses	(1,312,131)	(1,330,041)
Operating profit/(loss) before VAT, DRL & NBT on financial services	1,836,691	2,223,463
Value Added Tax (VAT) on financial services	(720,900)	(811,470)
Debt repayment levy	(414,710)	-
Nation Building Tax (NBT) on financial services	(96,053)	(108,196)
Operating profit/(loss) after VAT, DRL & NBT on financial services	605,028	1,303,798
Share of profits of associates and joint ventures	-	-
Profit/(loss) before tax	605,028	1,303,798
Income tax expenses	(471,452)	(686,430)
Profit/(loss) for the period	133,576	617,368
Profit attributable to:		
Equity holders of the parent	133,576	617,368
Non-controlling interests	-	-
Earnings per share on profit		
Basic earnings per ordinary share	0.25	2.13
Diluted earnings per ordinary share	-	-

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

Rupees Thousands	Bank	
	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

a. Bank - Current Period

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
LIABILITIES				
Due to banks	-	-	11,895,831	11,895,831
Derivative financial instruments	-	-	-	-
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

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	-	-	-	-
- due to other borrowers	-	-	-	-
Debt securities issued	-	-	4,707,853	4,707,853
Other Liabilities	-	-	1,714,680	1,714,680
Total Financial Liabilities	-	-	159,080,841	159,080,841

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	-	-	-	-
- due to other borrowers	-	-	-	-
Debt securities issued	-	-	4,707,853	4,707,853
Other Liabilities	-	-	1,714,680	1,714,680
Total Financial Liabilities	-	-	159,080,841	159,080,841

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

Rupees Thousands	Bank	
	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	(459,495)	(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	7,172,749	-
Interest paid on debentures	(401,378)	(401,378)
Net cash from financing activities	6,771,371	(401,378)
Net increase/(decrease) in cash & cash equivalents	12,710,517	(12,868,373)
Cash & cash equivalents at the beginning of the period	9,639,017	34,702,875
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)
Total	22,349,534	21,834,503

STATEMENT OF FINANCIAL POSITION AS AT 30TH SEPTEMBER 2019

Rupees Thousands	Bank	
	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	-	-
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	40,303,092	27,757,514
Financial assets measured at fair value through other comprehensive income	-	4,176,343
Investment in subsidiaries	-	-
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		
Due to banks	11,895,831	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	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	1,847,642	1,926,924
Current tax liabilities	256,491	473,833
Deferred tax liabilities	-	-
Other provisions	-	-
Other liabilities	3,308,102	2,460,286
Due to subsidiaries	-	-
Total liabilities	175,695,646	162,927,205
Equity		
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		
Number of Employees	2,747	2,335
Number of Branches	273	265
Note: Amounts stated are net of impairment and depreciation.		

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30TH SEPTEMBER 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	Retained Earnings	Other Reserve			
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	-	-	-	-	-	-	133,576	-	133,576	-	133,576
Profit/(loss) for the period (net of tax)	-	-	-	-	-	-	133,576	-	133,576	-	133,576
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	-	-	-
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)