



PRADESHIYA SANWARDHANA BANK

"A" Negative
ICRA Lanka

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2020

INCOME STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

Rupees Thousands	Bank	
	Current Period 31/03/2020 (Unaudited)	Previous Period 31/03/2019 (Unaudited)
Interest income	5,948,912	6,039,304
Interest expenses	(3,145,067)	(3,203,488)
Net interest income	2,803,846	2,835,817
Fee and commission income	243,430	188,325
Fee and commission expenses	(75,595)	(71,239)
Net fee and commission income	167,835	117,087
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	-	-
Net other operating income	2,100	2,268
Total operating income	2,973,781	2,955,171
Impairment charges	(792,685)	(714,862)
Net operating income	2,251,096	2,240,309
Personnel expenses	(1,426,043)	(1,352,747)
Depreciation and amortization expenses	(133,516)	(90,548)
Other expenses	(251,284)	(383,569)
Operating profit/(loss) before VAT, DRL & NBT on financial services	440,253	413,445
Value Added Tax (VAT) on financial services	(240,304)	(221,589)
Debt repayment levy	-	(55,852)
Nation Building Tax (NBT) on financial services	-	(29,545)
Operating profit/(loss) after VAT, DRL & NBT on financial services	199,950	106,459
Share of profits of associates and joint ventures	-	-
Profit/(loss) before tax	199,950	106,459
Income tax expenses	(156,169)	(132,209)
Profit/(loss) for the period	43,781	(25,750)
Profit attributable to:		
Equity holders of the parent	43,781	(25,750)
Non-controlling interests	-	-
Earnings per share on profit		
Basic earnings per ordinary share	0.08	-
Diluted earnings per ordinary share	-	-

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31ST MARCH 2020

Rupees Thousands	Bank	
	Current Period 31/03/2020 (Unaudited)	Previous Period 31/03/2019 (Unaudited)
Profit/(loss) for the period	43,781	(25,750)
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	43,781	(25,750)
Total comprehensive income for the period	43,781	(25,750)
Attributable to:		
Equity holders of the parent	43,781	(25,750)
Non-controlling interest	-	-

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS AS AT 31ST MARCH 2020

Rupees Thousands	AC	FVPL	FVOCI	TOTAL
ASSETS				
Cash and cash equivalents	1,442,758	-	-	1,442,758
Balances with central bank	-	-	-	-
Placements with banks	10,769,242	-	-	10,769,242
Equity Instruments at fair value through profit or loss	-	123	-	123
Loans and advances	136,244,757	-	-	136,244,757
Debt instruments	46,491,031	-	-	46,491,031
Equity instruments	-	-	2,290	2,290
Other Assets	2,124,689	-	-	2,124,689
Total Financial Assets	197,072,478	123	2,290	197,074,891
LIABILITIES				
Due to banks	-	-	25,374,540	25,374,540
Derivative financial instruments	-	-	-	-
Financial liabilities	-	-	-	-
- due to depositors	-	-	152,883,643	152,883,643
- due to debt securities holders	-	-	-	-
- due to other borrowers	-	-	-	-
Debt securities issued	-	-	2,077,875	2,077,875
Other Liabilities	-	-	3,688,005	3,688,005
Total Financial Liabilities			184,024,062	184,024,062
b. Bank - Previous year (Audited)				
ASSETS				
Cash and cash equivalents	2,750,187	-	-	2,750,187
Balances with central bank	-	-	-	-
Placements with banks	9,798,242	-	-	9,798,242
Equity Instruments at fair value through profit or loss	-	123	-	123
Loans and advances	136,205,641	-	-	136,205,641
Debt instruments	45,664,745	-	-	45,664,745
Equity instruments	-	-	2,290	2,290
Other Assets	1,633,842	-	-	1,633,842
Total Financial Assets	196,052,658	123	2,290	196,055,071
LIABILITIES				
Due to banks	-	-	22,050,009	22,050,009
Derivative financial instruments	-	-	-	-
Financial liabilities	-	-	-	-
- due to depositors	-	-	149,599,829	149,599,829
- due to debt securities holders	-	-	-	-
- due to other borrowers	-	-	-	-
Debt securities issued	-	-	4,707,853	4,707,853
Other Liabilities	-	-	4,954,271	4,954,271
Total Financial Liabilities			181,311,961	181,311,961

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31ST MARCH 2020

Rupees Thousands	Bank	
	Current Period 31/03/2020 (Unaudited)	Previous Period 31/03/2019 (Unaudited)
Cash flow from operating activities		
Profit before tax	440,253	413,445
Adjustment for:		
Non cash items included in profit before tax	881,899	886,086
Changes in operating assets	(1,155,851)	1,472,157
Changes in operating liabilities	4,911,212	(1,223,798)
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	(22,372)	(27,383)
Taxes on financial services	(238,080)	(263,497)
Tax Paid	(321,182)	(437,850)
Net cash generated from/(used in) operating activities	4,495,879	819,160
Cash flows from investing activities		
Purchase of Property, plant and equipment	(7,655)	(93,086)
Net purchase of intangible assets	(23)	(2,173)
Investment in Fixed deposits (more than three months)	8,033,763	9,490,247
Proceeds from the sale of property, plant and equipment	9	-
Net proceeds from sales of investment share market	-	-
Net cash (used in)/from investing activities	8,026,094	9,394,987
Cash flows from financing activities		
Net proceeds from the issue of ordinary share capital	-	-
Operating Lease Interest expense	(35,847)	-
Payment of principal of operating lease	(66,819)	-
Net proceeds from the other borrowings	-	-
Interest paid & repayment of debentures	(2,595,080)	(133,178)
Net cash from financing activities	(2,697,746)	(133,178)
Net increase/(decrease) in cash & cash equivalents	9,824,226	10,080,969
Cash & cash equivalents at the beginning of the Year	34,584,741	9,639,017
Cash and cash at the end of the Period	44,408,967	19,719,986
Reconciliation of Cash & Cash Equivalents		
Cash and cash equivalent	1,442,758	1,131,694
Favorable balances with banks		
Placements with Banks	10,769,242	9,046,555
Fixed deposits less than three months	34,151,410	9,728,495
Unfavorable balances with banks	(1,954,443)	(186,758)
	44,408,967	19,719,986

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2020

Rupees Thousands	Bank	
	Current Period 31/03/2020 (Unaudited)	Previous Year 31/12/2019 (Audited)
Assets		
Cash and cash equivalents	1,442,758	2,750,187
Balances with central bank	-	-
Placements with banks	10,769,242	9,798,242
Derivative financial instruments	-	-
Financial assets recognized through profit or loss	-	-
- measured at fair value	-	-
- designated at fair value	123	123
Financial assets at amortized cost	-	-
- loans and advances	136,244,757	136,205,641
- debt and other instruments	46,491,031	45,664,745
Financial assets measured at fair value through other comprehensive income	2,290	2,290
Investment in subsidiaries	-	-
Investments in associates and joint ventures	-	-
Property, plant and equipment	1,201,962	1,228,420
Right of use assets	794,768	855,183
Goodwill and intangible assets	44,970	45,356
Deferred tax assets	696,316	696,316
Other assets	3,849,160	2,732,424
Total assets	201,537,378	199,978,929
Liabilities		
Due to banks	25,374,540	22,050,009
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	152,883,643	149,599,829
- due to debt securities holders	-	-
- due to other borrowers	-	-
Debt securities issued	2,077,875	4,707,853
Retirement benefit obligations	2,236,115	2,236,115
Current tax liabilities	156,169	448,881
Deferred tax liabilities	-	-
Other liabilities	3,803,038	5,970,920
Due to subsidiaries	-	-
Total liabilities	186,531,379	185,013,607
Equity		
Stated capital/Assigned capital	8,047,230	8,047,230
Statutory reserve fund	744,451	744,261
OCI reserve	-	-
Retained earnings	2,449,077	2,421,534
Other reserves	3,765,241	3,754,296
Total shareholders' equity	15,005,999	14,965,322
Non-controlling interests	-	-
Total equity	15,005,999	14,965,322
Total equity and liabilities	201,537,378	199,978,929
Contingent liabilities and commitments	440,395	230,706
Memorandum Information		
Number of Employees	2,717	2,732
Number of Branches	276	276

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH 2020

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	Retained Earnings	Other Reserve			
Balance as at 01/01/2020 (Opening balance)	-	-	8,047,230	744,262	-	2,421,534	3,754,295	14,965,322	-	14,965,322
Total comprehensive income for the period	-	-	-	-	-	43,781	-	43,781	-	43,781
Profit/(loss) for the period (net of tax)	-	-	-	-	-	-	-	-	-	-
Other comprehensive income (net of tax)	-	-	-	-	-	43,781	-	43,781	-	43,781
Total comprehensive income for the period						43,781		43,781		43,781
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	-	-	-	2,189	-	(13,134)	10,945	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-
Contributions to the National Insurance Trust Fund	-	-	-	-	-	(3,104)	-	(3,104)	-	(3,104)
Profit transferred to head office	-	-	-	-	-	-	-	-	-	-
Gain/(loss) on evaluation of Property, Plant and Equipment (if cost method is adopted)	-	-	-	-	-	-	-	-	-	-
Total transactions with equity holders				2,189		(16,938)	10,945	(3,104)		(3,104)
Balance as at 31/03/2020			8,047,230	744,451		2,449,077	3,765,241	15,005,999		15,005,999

ANALYSIS OF LOANS & ADVANCES, COMMITMENTS, CONTINGENCIES AND IMPAIRMENT AS AT 31ST MARCH 2020

Rupees Thousands	Bank		Rupees Thousands	Bank	
	Current Period 31/03/2020 (Unaudited)	Previous Year 31/12/2019 (Audited)		Current Period 31/03/2020 (Unaudited)	Previous Year 31/12/2019 (Audited)
Product-wise Gross loans & advances					
By product - Domestic currency					
Term loans	98,706,821	99,322,779			
Leasing	870,628	888,834			
Pawning	14,618,440	13,644,437			
Refinance	20,586,721	20,389,888			
Liya Isura	44,123	45,089			
Staff Loan	3,791,610	3,699,556			
Loans Against Deposits	6,713,922	6,564,153			
SME	131,880	138,814			
Sub total	145,464,147	144,693,551			
By product - Foreign currency					
Overdrafts	-	-			
Term loans	-	-			
Guarantees	-	-			
Bonds	-	-			
Other loans (specify)	-	-			
Sub total					
Total	145,464,147	144,693,551			
Product-wise commitments and contingencies					
By product - Domestic currency					
Guarantees	137,988	139,743			
Bonds	-	-			
Undrawn credit lines	-	-			
Other commitments (specify)	-	-			
Other contingencies (Bill Purchase)	302,407	92,831			
Sub total	440,395	232,573			
By product - Foreign currency					
Guarantees	-	-			
Bonds	-	-			
Undrawn credit lines	-	-			
Other commitments (specify)	-	-			
Other contingencies (specify)	-	-			
Sub total					
Total	440,395	232,573			
Stage-wise impairment on loans & advances, commitments and contingencies					
Gross loans and advances, commitments and contingencies	145,904,542	144,926,124			
Less: Accumulated impairment under stage 1	1,375,529	1,548,421			
Accumulated impairment under stage 2	1,453,402	1,328,104			
Accumulated impairment under stage 3	5,551,697	4,790,789			
Net value					