



PRADESHIYA SANWARDHANA BANK

"A" Negative
ICRA Lanka

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2019

INCOME STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2019

Rupees Thousands	Bank	
	Current Year 31/12/2019 (Audited)	Previous Year 31/12/2018 (Audited)
Interest income	26,357,071	24,865,109
Interest expenses	(13,903,881)	(12,959,527)
Net interest income	12,453,190	11,905,582
Fee and commission income	1,134,422	1,186,795
Fee and commission expenses	(278,304)	(259,105)
Net fee and commission income	856,117	927,690
Net gains/(losses) from trading	4,757	1,216
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	11,571	17,491
Total operating income	13,325,635	12,851,979
Impairment charges	(2,408,749)	(1,409,784)
Net operating income	10,916,887	11,442,195
Personnel expenses	(5,931,626)	(5,877,947)
Depreciation and amortization expenses	(617,323)	(319,021)
Other expenses	(1,407,680)	(1,638,897)
Operating profit/(loss) before VAT, DRL & NBT on financial services	2,960,258	3,606,330
Value Added Tax (VAT) on financial services	(1,012,949)	(1,158,678)
Debt repayment levy	(601,523)	(190,080)
Nation Building Tax (NBT) on financial services	(123,626)	(154,490)
Operating profit/(loss) after VAT, DRL & NBT on financial services	1,222,160	2,103,082
Share of profits of associates and joint ventures	-	-
Profit/(loss) before tax	1,222,160	2,103,082
Income tax expenses	(723,566)	(1,029,496)
Profit/(loss) for the year	498,595	1,073,586
Profit attributable to:		
Equity holders of the parent	498,595	1,073,586
Non-controlling interests	-	-
Earnings per share on profit		
Basic earnings per ordinary share	0.91	2.76

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2019

Rupees Thousands	Bank	
	Current Year 31/12/2019 (Audited)	Previous Year 31/12/2018 (Audited)
Profit/(loss) for the year	498,595	1,073,586
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	(111,762)	(111,150)
Changes in revaluation surplus	-	-
Share of profits of associates and joint ventures	-	-
Deferred tax effect on employment benefit obligations	31,293	31,122
Less: Tax expense relating to items that will not be reclassified to income statement	-	-
Other Comprehensive Income (OCI) for the year, net of taxes	(80,468)	(80,098)
Total comprehensive income for the year	418,126	993,559
Attributable to:		
Equity holders of the parent	418,126	993,559
Non-controlling interest	-	-

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS AS AT 31ST DECEMBER 2019

a. Bank - Current Year (Audited)

Rupees Thousands	AC	FVPL	FVOCI	TOTAL
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	-	-	2,990	2,990
Other Assets	1,633,842	-	-	1,633,842
Total Financial Assets	196,052,658	123	2,990	196,055,071

Rupees Thousands	Amortized Cost	TOTAL
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

b. Bank - Previous year (Audited)

Rupees Thousands	AC	FVPL	FVOCI	TOTAL
ASSETS				
Cash and cash equivalents	689,184	-	-	689,184
Balances with central bank	-	-	-	-
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	27,920,326	-	-	27,920,326
Equity instruments	-	-	4,176,343	4,176,343
Other Assets	1,285,361	-	-	1,285,361
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	4,707,853	4,707,853
Other Liabilities	1,797,398	1,797,398
Total Financial Liabilities	159,163,489	159,163,489

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2019

Rupees Thousands	Bank	
	Current Year 31/12/2019 (Audited)	Previous Year 31/12/2018 (Audited)
Cash flow from operating activities		
Profit before tax	2,960,258	3,606,330
Adjustment for:		
Non cash items included in profit before tax	4,061,421	2,009,118
Changes in operating assets	(7,274,253)	(7,759,297)
Changes in operating liabilities	19,218,607	2,335,364
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	(146,287)	(125,672)
Taxes on financial services	(1,659,201)	(1,025,231)
Tax Paid	(915,600)	(958,313)
Net cash generated from/(used in) operating activities	16,244,945	(1,917,701)
Cash flows from investing activities		
Purchase of Property, plant and equipment	(217,855)	(363,021)
Net purchase of intangible assets	(13,816)	(50,630)
Investment in Fixed deposits (more than three months)	2,287,605	(1,493,138)
Proceeds from the sale of property, plant and equipment	4,203	12,009
Net proceeds from sales of investment share market	-	-
Net cash (used in)/from investing activities	2,060,137	(1,894,781)
Cash flows from financing activities		
Net proceeds from the issue of ordinary share capital	-	-
Operating Lease Interest expense	(81,828)	-
Payment of principal of operating lease	(276,246)	-
Net proceeds from the other borrowings	7,534,500	-
Interest paid on debt securities	(535,785)	(535,785)
Net cash from financing activities	6,640,642	(535,785)
Net increase/(decrease) in cash & cash equivalents	24,945,794	(4,348,266)
Cash & cash equivalents at the beginning of the Year	9,639,017	13,987,283
Cash and cash at the end of the Year	34,584,741	9,639,017
Reconciliation of Cash & Cash Equivalents		
Cash and cash equivalent	2,750,187	689,184
Favorable balances with banks		
Placements with Banks	9,798,275	6,496,693
Fixed deposits less than three months	29,571,266	5,220,603
Unfavorable balances with banks	(534,988)	(67,463)
	34,584,741	9,639,017

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2019

Rupees Thousands	Bank	
	Current Year 31/12/2019 (Audited)	Previous Year 31/12/2018 (Audited)
Assets		
Cash and cash equivalents	2,750,187	689,184
Balances with central bank	-	-
Placements with banks	9,798,242	6,496,628
Derivative financial instruments	-	-
Financial assets recognized through profit or loss	-	-
- measured at fair value	123	116
- designated at fair value	-	-
Financial assets at amortized cost	-	-
- loans and advances	136,205,641	133,432,804
- debt and other instruments	45,664,745	27,920,326
Financial assets measured at fair value through other comprehensive income	2,990	4,176,343
Investment in subsidiaries	-	-
Investments in associates and joint ventures	-	-
Property, plant and equipment	1,228,420	1,275,786
Investment properties	-	-
Goodwill and intangible assets	45,356	60,788
Right of use assets	855,183	1,926,924
Deferred tax assets	696,316	467,333
Other assets	2,732,424	2,418,012
Total assets	199,978,929	176,937,319
Liabilities		
Due to banks	22,050,009	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	149,599,829	141,559,974
- due to debt securities holders	-	-
- due to other borrowers	-	-
Debt securities issued	4,707,853	4,707,853
Retirement benefit obligations	2,236,115	1,926,924
Current tax liabilities	448,881	473,833
Deferred tax liabilities	-	-
Other provisions	-	-
Other liabilities	5,970,920	2,460,286
Due to subsidiaries	-	-
Total liabilities	185,013,608	162,227,205
Equity		
Stated capital	8,047,230	8,047,230
Statutory reserve fund	742,261	717,331
OCI reserve	-	-
Retained earnings	2,421,534	2,315,906
Other reserves	3,754,296	3,629,647
Total shareholders' equity	14,965,322	14,710,115
Non-controlling interests	-	-
Total equity	14,965,322	14,710,115
Total equity and liabilities	199,978,929	176,937,319
Contingent liabilities and commitments	230,706	212,759
Memorandum Information		
Number of Employees	2,732	2,335
Number of Branches	276	265

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 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 year	-	-	-	-	-	-	498,595	-	498,595	-	498,595	
Profit/(loss) for the year (net of tax)	-	-	-	-	-	-	(80,468)	-	(80,468)	-	(80,468)	
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	-	-	-	
Total comprehensive income for the year	-	-	-	-	-	-	418,126	-	418,126	-	418,126	
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 year	-	-	-	94,930	-	-	(149,578)	124,648	(193,547)	-	(193,547)	
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-	-	
Gain/(loss) on revaluation of Property, Plant and Equipment (if cost method is adopted)	-	-	-	-	-	-	-	-	-	-	-	
Excess from Mergers	-	-	-	-	-	-	30,698	-	30,698	-	30,698	
Total transactions with equity holders	-	-	-	94,930	-	-	(312,498)	124,648	(168,919)	-	(168,919)	
Balance as at 31/12/2019	-	-	8,047,230	742,261	-	-	2,421,534	3,754,296	14,965,322	-	14,965,322	

ANALYSIS OF LOANS & ADVANCES, COMMITMENTS, CONTINGENCIES AND IMPAIRMENT AS AT 31ST DECEMBER 2019

Rupees Thousands	Bank		Rupees Thousands	Bank	
	Current Year 31/12/2019 (Audited)	Previous Year 31/12/2018 (Audited)		Current Year 31/12/2019 (Audited)	Previous Year 31/12/2018 (Audited)
Product-wise Gross loans & advances					
By product - Domestic currency					
Term loans	99,322,779	95,662,608			
Leasing	888,834	-			
Pawning	13,644,437	11,381,435			
Refinance	20,389,888	21,301,549			
Liya Isura	45,089	102,392			
Staff Loan	3,699,556				