

PRADESHIYA SANWARDHANA BANK

"A" Negative **ICRA** Lanka

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2021

	Ba	Bank			
Rupees Thousands	Current Period 31/03/2021 (unaudited)	Previous Period 31/03/2020 (unaudited)			
Interest income	5,813,372	5,948,912			
nterest expenses	(2,489,882)	(3,145,067)			
Net interest income Fee and commission income Fee and commission expenses	3,323,491 250,865 (81,779)	2,803,846 243,430 (75,595)			
	` , ,	. , ,			
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	169,086	167,835 - - -			
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	6,882	2,100			
Total operating income Impairment charges	3,499,459 (342,744)	2,973,781 (722,685)			
Net operating income Personnel expenses Depreciation and amortization expenses Other expenses	3,156,715 (1,745,918) (130,552) (341,755)	2,251,096 (1,426,043) (133,516) (251,284)			
Operating profit/(loss) before VAT on financial services Value Added Tax (VAT) on financial services Debt repayment levy Nation Building Tax (NBT) on financial services	938,490 (340,956)	440,253 (240,304)			
Operating profit/(loss) after VAT on financial services Share of profits of associates and joint ventures	597,534	199,950			
Profit/(loss) before tax Income tax expenses Profit/(loss) for the period	597,534 (298,816) 298,718	199,950 (156,169) 43,781			
Profit attributable to: Equity holders of the parent Non-controlling interests	298,718 -	43,781 -			
Earnings per share on profit Basic earnings per ordinary share Diluted earnings per ordinary share	0.55	0.08			

	Ва	Bank			
Rupees Thousands	Current Period 31/03/2021 (Unaudited)	Previous Period 31/03/2020 (Unaudited			
Profit/(loss) for the period	298,718	43,781			
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	298,718	43,781			
Attributable to:					
Equity holders of the parent	298,718	43,781			
Non-controlling interest	-				

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS AS AT 31ST MARCH 2021

a.	Bank -	- Current	period	
----	--------	-----------	--------	--

Unfavorable balances with banks

Rupees Thousands	AC	FVPL	FVOCI	TOTAL
ASSETS				
Cash and cash equivalents	1,753,437	-	-	1,753,437
Balances with central bank		-	-	
Placements with banks	8,694,741	-	-	8,694,741
Equity Instruments at fair value through profit or loss	, , , ₋	157	-	157
Loans and advances	162,742,793	-	_	162,742,793
Debt instruments	49,699,471	_	_	49,699,47
Equity instruments		_	2,290	2,290
Other Assets	2,517,256		2,270	2,517,25
Total Financial Assets	225,407,699	157	2,290	225,410,14
	220,107,071		2/270	220,110,11
Rupees Thousands			Amortized Cost	TOTAL
LIABILITIES				
Due to banks			27,422,369	27,422,3
Derivative financial instruments			-	
Financial liabilities			-	
- due to depositors			176,489,724	176,489,79
- due to debt securities holders			' -	
- due to other borrowers			-	
Debt securities issued			2,077,875	2,077,87
Other Liabilities			2,685,223	2,685,29
Total Financial Liabilities			208,675,192	208,675,19
b. Bank - Previous year (Unaudited)				
Rupees Thousands	AC	FVPL	FVOCI	TOTAL
ASSETS	7.0	1112	1100	101712
Cash and cash equivalents	3,758,858			3,758,858
Balances with Central Bank	3,736,636	-	-	3,730,030
Placements with banks	0 426 252	-	-	8,436,35
Equity Instruments at fair value through profit or loss	8,436,353	145	-	0,430,33.
Equity instruments at fair value through profit or loss Loans and advances	157 001 527	145	-	
	157,021,536	-	-	157,021,53
Debt instruments	46,962,354	-	0.000	46,962,354
Equity instruments	0.7/0.507	-	2,290	2,290
Other Assets Total Financial Assets	2,760,587 218,939,688	145	2,290	2,760,58° 218,942,12°
	210/737/000	113		
Rupees Thousands			Amortized Cost	TOTAL
LIABILITIES Due to banks			21,796,679	21,796,67
Due to Gariks Derivative financial instruments			21,790,079	21,790,07
			-	
Financial liabilities			170,000,07	170 000 70
- due to depositors			172,882,607	172,882,60
- due to debt securities holders			-	
- due to other borrowers			-	
				0 000 00
			2,000,000	
Debt securities issued Other Liabilities Total Financial Liabilities			6,155,212	2,000,000 6,155,219 202,834,498

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 ST MARCH 2021							
	Ba	ink					
Rupees Thousands	Current Period 31/03/2021 (Unaudited)	Previous Period 31/03/2020 (Unaudited					
Cash flow from operating activities							
Profit before tax	938,490	440,253					
Adjustment for:							
Non cash items included in profit before tax	543,070	881,899					
Changes in operating assets	(8,127,089)	(1,155,851)					
Changes in operating liabilities	407,459	4,911,212					
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	(141,295)	(22,372)					
Taxes on financial services	(340,956)	(238,080)					
Tax Paid	(492.667)	(321,182)					
Net cash generated from/(used in) operating activities	(7,212,988)	4,495,879					
Purchase of Property, plant and equipment Net purchase of intangible assets Investment in Fixed deposits (more than three months) Proceeds from the sale of property, plant and equipment Net proceeds from sales of investment share market Net cash (used in)/from investing activities	(18,798) 0 12,106,309 23 - 12,087,534	(7,655) (23) 8,033,763 9 - 8,026,094					
Cash flows from financing activities	12,001,001	5,025,017					
Net proceeds from the issue of ordinary share capital	_	_					
Operating Lease Interest expense	_	(35,847)					
Payment of principal of operating lease	(179,673)	(66,819)					
Net proceeds from the other borrowings	-	-					
Interest paid & repayment of debentures	(77,875)	(2,595,080)					
Net cash from financing activities	(257,548)	(2,697,746)					
Net increase/(decrease) in cash & cash equivalents	4,616,998	9,824,226					
Cash & cash equivalents at the beginning of the Year	44,408,968	34,584,741					
Cash and cash at the end of the Period	49,025,966	44,408,968					
Reconciliation of Cash & Cash Equivalents							
Cash and cash equivalent	1,753,437	1,442,758					
Favorable balances with banks							
Placements with Banks	8,694,741	10,769,242					
Fixed deposits less than three months	38,683,279	34,151,410					

	Bank			
Rupees Thousands	Current Period 31/03/2021 (Unaudited)	Previous Year 31/12/2020 (Unaudited)		
Assets				
Cash and cash equivalents	1,753,437	3,758,858		
Balances with central bank	0 (04 741	0.407.050		
Placements with banks Derivative financial instruments	8,694,741	8,436,353		
Financial assets recognized through profit or loss	-	-		
- measured at fair value	157	145		
- designated at fair value	-	-		
Financial assets at amortized cost				
- loans and advances	162,742,793	157,021,536		
- debt and other instruments Financial assets measured at fair value through other comprehensive income	49,699,471 2,290	46,962,354 2,290		
Investment in subsidiaries	2,290	2,290		
Investments in associates and joint ventures	-	-		
Property, plant and equipment	946,481	970,539		
Right of use assets	559,771	598,979		
Goodwill and intangible assets	20,907	21,273		
Deferred tax assets	874,300	874,300		
Other assets	4,988,442	2,760,587		
Total assets	230,282,792	221,407,213		
Liabilities Due to banks	27,422,369	21,796,679		
Derivative financial instruments	27,422,309	21,790,079		
Financial liabilities recognized through profit or loss				
- measured at fair value	-	-		
- designated at fair value	-	-		
Financial liabilities at amortized cost				
- due to depositors	176,489,724	172,882,607		
- due to debt securities holders	-	-		
- due to other borrowers	0.077.075	0.000.000		
Debt securities issued	2,077,875	2,000,000		
Retirement benefit obligations	2,743,900	2,782,875		
Current tax liabilities Deferred tax liabilities	36,985	402,295		
Other liabilities	5,825,675	6,155,212		
Due to subsidiaries	-	-		
Total liabilities	214,596,529	206,019,668		
Equity				
Stated capital/Assigned capital	8, 047,230	8, 047,230		
Statutory reserve fund	776,124	776,124		
OCI reserve	-	-		
Retained earnings	2,939,297	2,640,579		
Other reserves Other reserves	3,923,612	3,923,612		
Total shareholders' equity	15,686,263	15,387,545		
Non-controlling interests	-	-		
Total equity	15,686,263	15,387,545		
Total equity and liabilities	230,282,792	221,407,213		
Contingent liabilities and commitments	235,681	202,187		
Memorandum Information				
Number of Employees	2,640	2,657		
Number of Branches	276	276		
Evolunatory Notes, (I) There were no changes to the Accounting Policies and methods of computation since last financial year	ı	ı		

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH 2021

	Stated capital/Assigned Capital			Stated capital/Assigned Capital Re		Reserves					Non	
Rupees Thousands	Ordinary Voting Share	Ordinary Non Voting Share	Assigned Capital	Statutory Reserve Fund	OCI Reserve	Revaluation Reserve	Retained Earnings	Other Reserve	Total	Controling interest	Total Equity	
Balance as at 01/01/2021 (Opening balance)	-	-	8,047,230	776,124	-	-	2,640,579	3,923,612	15,387,545	-	15,387,545	
Total comprehensive income for the Period Profit/(loss) for the period (net of tax) Other comprehensive income (net of tax) Total comprehensive income for the Period	-	-	-	-	-	-	298,718 - 298,718	-	298,718 - 298,718	:	298,718 - 298,718	
Transactions with equity holders, recognised							270/710		270/110		270,710	
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	-	-	-	-	-	-	-	-	-	-	-	
Contribution to the National Insurance Trust Fund	-	-	-	-	-	-	-	-	-	-	-	
Profit transferred to head office	-	-	-	-	-	-	-	-	-	-	-	
Gain/(loss) on revaluation of Property, Plant and	-	-	-	-	-	-	-	-	-	-	-	
Equipment (if cost method is adopted)												
Total transactions with equity holders	-	-		777.404	<u> </u>	-	0.000.007	2 002 / 40	45 (0) 0(0		45 (0) 0(0	

ANALYSIS OF LOANS & ADVANCES, COMMITMENTS, CONTINGENCIES AND IMPAIRMENT AS AT 31ST MARCH 2021

	Bar	nk		Bar	nk
Rupees Thousands	Current period 31/03/2021 (Unaudited)	Previous Year 31/12/2020 (Unaudited)	Rupees Thousands	Current period 31/03/2021 (Unaudited)	Previous Year 31/12/2020 (Unaudited)
Product-wise Gross loans & advances			Sub total	-	-
By product – Domestic currency			Total	235,681	204,377
Term loans	121,581,076	114,330,114	Stage-wise impairment on loans &		
Leasing	1,169,236	961,274	advances, commitments and		
Pawning	15,631,105	15,431,733	contingencies		
Refinance	23,309,349	25,636,719	Gross loans and advances,		
Liya Isura	40,998	41,620	commitments and contingencies	173,492,968	167,303,354
Staff Loan	4,936,083	4,122,589	Less: Accumulated impairment under	1,536,641	1,960,419
Loans Against Deposits SME	6,464,032 125,408	6,449,520 125,408	stage 1		
Sub total	173,257,287	167,098,977	Accumulated impairment under stage 2	844,101	1,493,274
Suo total	1/3,23/,20/	107,090,977	Accumulated impairment under stage 3	7,313,159	5,897,426
By product – Foreign currency			Net value of loans and advances,		
Overdrafts	-	-	commitments and contingencies	163,799,067	157,952,235
Term Ioans	-	-	Movement of impairment during the year		
Guarantees	-	-	Under Stage 1		
Bonds	-	-	Charge/(Write back) to income	(423,778)	202,987
Other loans (specify)	-	-	statement	·	· ·
Sub total			Write-off during the period	-	-
Total	173,257,287	167,098,977	Other movements	-	-
Product-wise commitments and			Closing balance at 31/03/2021	1,536,641	1,960,419
contingencies			Under Stage 2		
By product – Domestic currency			Charge/(Write back) to income	(649,173)	(222,939)
Guarantees	143,282	138,447	statement		
Bonds			Write-off during the period	-	-
Undrawn credit lines	-	-	Other movements	-	-
Other commitments (specify)	-	-	Closing balance at 31/03/2021	844,101	1,493,274
Other contingencies (Bill Purchase)	92,399	65,930	Under Stage 3		
Sub total	235,681	204,377	Charge/(Write back) to income	1,415,733	1,614,739
By product – Foreign currency			statement		
Guarantees	_	_	Write-off during the period	-	-
Ronds	_	_	Merged of LDB Balance as at 01/04/2019	-	-
Undrawn credit lines	_	_	Other movements	-	-
Other commitments (specify)	_	_	Closing balance at 31/03/2021	7,313,159	5,897,426
Other contingencies (specify)	-	-	Total impairment under SLFRS 9	9,693,900	9,351,119

ANALYSIS OF DEPOSITS AS AT 31ST MARCH 2021

Current period 31/03/2021 (Unaudited)	Previous Year 31/12/2020 (Unaudited)
, ,	(Orlaudited)
-	-
67,715,816 108,773,908	65,669,268 107,213,339
176,489,724	172,882,607
	108,773,908

	Bank			
Rupees Thousands	Current period 31/03/2021 (Unaudited)	Previous Year 31/12/2020 (Unaudited)		
By product – Foreign currency Demand deposits (current accounts)				
Savings deposits	-	-		
Fixed deposits	_	_		
Others (Specify)	-	-		
Sub total	-	-		
Total	176,489,724	172,882,607		

SELECTED PERFORMANCE INDICATORS AS AT 31ST MARCH 2021 (Based on Regulatory Reporting)

Item	31/03/2021 (Unaudited)	31/12/2020 (Unaudited)
Regulatory Capital Adequacy (LKR in Thousands)		
Common Equity Tier 1	14,223,570	14,223,576
Core (Tier 1) Capital	14,223,570	14,223,576
Total Capital Base	20,724,517	20,548,649
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital (%) (Minimum Requirement - 7%)	9.76%	10.06%
Tier 1 Capital Ratio (%) (Minimum Requirement - 8.5%)	9.76%	10.06%
Total Capital Ratio (%) (Minimum Requirement - 12.5%)	14.22%	14.54%
Leverage Ratio (Minimum Requirement - 3%)	6.13%	6.31%
Regulatory Liquidity		
Statutory Liquid Assets (LKR in Thousands)	46,666,290	48,300,447
Statutory Liquid Assets Ratio (%) (Minimum Requirement - 20%)	27.27%	29,30%
Domestic Banking Unit (%)	-	-
Off-Shore Banking Unit (%)	-	-
Total Stock of High-Quality Liquid Assets (LKR in Thousands)	8,609,963	8,337,069
Liquidity Coverage Ratio (%) (Minimum Requirement - 100%)		
Rupee (%)	124.00%	146.00%
All Currency (%)	-	-
Net Stable Funding Ratio (%) - (Minimum Requirement - 100%)	131.00%	143.00%
Assets Quality (Quality of Loan Portfolio)		
Gross Non-Performing Advances Ratio (%) (net of interest in suspense)	9.44%	10.04%
Net-Non Performing Advances (%) (net of interest in suspense and provision)	3.77%	4.36%
Profitability		
Interest Margin (%)	5.89%	5.17%
Return on Assets (before Tax) (%)	1.06%	0.64%
Return on Equity (%)	7.69%	5.22%

CERTIFICATION:

49,025,966

(105,492)

(1,954,443)

44,408,968

We, the undersigned, being the Chief Financial Officer and Chief Executive Officer of Pradeshiya Sanwardhana Bank jointly certify that: (a) the above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka;

(b) the information contained in these statements have been extracted from the unaudited financial statements of the bank unless indicated as audited.

P.S. Edirisuriya ((Sgd.) Chief Financial Officer Date: 25.05.2021

 $\textbf{Mrs. D.K..} \textbf{Rathnayake} \hspace{0.1cm} (Sgd.) \hspace{0.1cm} \textbf{Chief Executive Officer} \hspace{0.1cm} (Actg.)$ Date: 25.05.2021