



PRADESHIYA SANWARDHANA BANK

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2021

"A" Negative
ICRA Lanka

INCOME STATEMENT FOR THE PERIOD ENDED 30TH JUNE 2021

Rupees Thousands	Bank	
	Current Period 30/06/2021 (Unaudited)	Previous Period 30/06/2020 (Unaudited)
Interest income	10,935,593	10,873,864
Interest expenses	(4,867,681)	(6,269,446)
Net interest income	6,067,913	4,604,419
Fee and commission income	414,769	293,789
Fee and commission expenses	(152,669)	(125,156)
Net fee and commission income	262,100	168,634
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 amortized cost	-	-
at fair value through other comprehensive income	-	-
Net other operating income	11,411	2,456
Total operating income	6,341,493	4,775,508
Impairment charges	(1,813,606)	(916,040)
Net operating income	4,527,818	3,859,469
Personnel expenses	(3,477,457)	(2,901,127)
Depreciation and amortization expenses	(270,993)	(279,258)
Other expenses	(665,196)	(532,708)
Operating profit/(loss) before VAT on financial services	114,172	146,376
VAT on financial services	(457,312)	(400,671)
Operating profit/(loss) after VAT on financial services	(343,139)	(254,295)
Share of profits of associates and joint ventures	-	-
Profit/(loss) before tax	(343,139)	(254,295)
Income tax expenses	(194,167)	(83,276)
Profit/(loss) for the period	(537,306)	(337,571)
Profit attributable to:		
Equity holders of the parent	(537,306)	(337,571)
Non-controlling interests	-	-
Earnings per share on profit		
Basic earnings per ordinary share	-	-
Diluted earnings per ordinary share	-	-

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2021

Rupees Thousands	Bank	
	Current Period 30/06/2021 (Unaudited)	Previous Year 31/12/2020 (Audited)
Assets		
Cash and cash equivalents	2,006,641	3,758,858
Balances with central bank	-	-
Placements with banks	8,572,957	8,436,353
Derivative financial instruments	-	-
Financial assets recognized through profit or loss		
- measured at fair value	154	145
- designated at fair value	-	-
Financial assets at amortized cost		
- loans and advances	161,829,755	156,694,052
- debt and other instruments	50,894,938	46,962,354
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	977,624	970,539
Right of use assets	546,806	598,979
Goodwill and intangible assets	129,982	21,273
Deferred tax assets	903,741	903,721
Other assets	5,187,482	2,760,587
Total assets	231,052,370	221,109,151
Liabilities		
Due to banks	25,464,661	21,796,679
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	178,356,961	172,882,632
- due to debt securities holders	-	-
- due to other borrowers	-	-
Debt securities issued	2,024,000	2,000,000
Retirement benefit obligations	2,708,418	2,782,875
Current tax liabilities	-	378,204
Deferred tax liabilities	-	-
Other liabilities	7,921,318	6,154,444
Due to subsidiaries	-	-
Total liabilities	216,475,359	205,994,834
Equity		
Stated capital/Assigned capital	8,047,230	8,047,230
Statutory reserve fund	762,463	762,463
OCI reserve	-	-
Retained earnings	1,912,013	2,449,319
Other reserves	3,855,305	3,855,305
Total shareholders' equity	14,577,011	15,114,317
Non-controlling interests	-	-
Total equity	14,577,011	15,114,317
Total equity and liabilities	231,052,370	221,109,151
Contingent liabilities and commitments	245,997	202,335
Memorandum Information		
Number of Employees	2,625	2,657
Number of Branches	276	276

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30TH JUNE 2021

Rupees Thousands	Bank	
	Current Period 30/06/2021 (Unaudited)	Previous Period 30/06/2020 (Unaudited)
Profit/(loss) for the Period	(537,306)	(337,571)
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	(537,306)	(337,571)
Attributable to:		
Equity holders of the parent	(537,306)	(337,571)
Non-controlling interest	-	-

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30TH JUNE 2021

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 01/01/2021 (Opening balance)	-	-	8,047,230	762,463	-	-	2,449,319	3,855,305	15,114,317	-	15,114,317
Total comprehensive income for the Period	-	-	-	-	-	-	(537,306)	-	(537,306)	-	(537,306)
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the Period							(537,306)	-	(537,306)	-	(537,306)
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	-	-	-	-	-	-	-	-	-	-	-
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											
Balance as at 30/06/2021	-	-	8,047,230	762,463	-	-	1,912,013	3,855,305	14,577,011	-	14,577,011

ANALYSIS OF LOANS & ADVANCES, COMMITMENTS, CONTINGENCIES AND IMPAIRMENT AS AT 30TH JUNE 2021

Rupees Thousands	Bank		Rupees Thousands	Bank	
	Current Period 30/06/2021 (Unaudited)	Previous Year 31/12/2020 (Audited)		Current Period 30/06/2021 (Unaudited)	Previous Year 31/12/2020 (Audited)
Product-wise Gross loans & advances					
By product – Domestic currency					
Term loans	117,121,471	116,873,830			
Leasing	1,212,301	832,028			
Pawning	16,050,364	15,412,551			
Refinance	28,532,855	23,209,366			
Liya Isura	40,739	41,620			
Staff Loan	4,564,144	4,122,589			
Loans Against Deposits	6,401,561	6,481,657			
SME	125,014	125,408			
Sub total	174,048,448	167,099,050			
By product – Foreign currency					
Overdrafts	-	-			
Term loans	-	-			
Guarantees	-	-			
Bonds	-	-			
Other loans (specify)	-	-			
Sub total	174,048,448	167,099,050			
Product-wise commitments and contingencies					
By product – Domestic currency					
Guarantees	145,814	138,447			
Bonds	-	-			
Undrawn credit lines	-	-			
Other commitments (specify)	-	-			
Other contingencies (Bill Purchase)	100,183	65,930			
Sub total	245,997	204,377			
By product – Foreign currency					
Guarantees	-	-			
Bonds	-	-			
Undrawn credit lines	-	-			
Other commitments (specify)	-	-			
Other contingencies (specify)	-	-			
Sub total	174,048,448	167,099,050			
Sub total					
Total	174,048,448	167,099,050			
Sub total					
Total					
Sub total					
Total					

ANALYSIS OF DEPOSITS AS AT 30TH JUNE 2021

Rupees Thousands	Bank		Rupees Thousands	Bank	
	Current Period 30/06/2021 (Unaudited)	Previous Year 31/12/2020 (Audited)		Current Period 30/06/2021 (Unaudited)	Previous Year 31/12/2020 (Audited)
By product – Domestic currency					
Demand deposits (current accounts)	-	-			
Savings deposits	67,290,989	65,669,268			
Fixed deposits	111,065,972	107,213,364			
Others (Specify)	-	-			
Sub total	178,356,961	172,882,632			
By product – Foreign currency					
Demand deposits (current accounts)	-	-			
Savings deposits	-	-			
Fixed deposits	-	-			
Others (Specify)	-	-			
Sub total	178,356,961	172,882,632			

SELECTED PERFORMANCE INDICATORS AS AT 30TH JUNE 2021 (Based on Regulatory Reporting)

Item	30/06/2021 (Unaudited)	31/12/2020 (Audited)
Regulatory Capital Adequacy (LKR in Thousands)		
Common Equity Tier 1	13,651,850	14,189,251
Core (Tier 1) Capital	13,651,850	14,189,251
Total Capital Base	20,099,717	20,502,929
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital (%) (Minimum Requirement - 7%)	8.62%	10.34%
Tier 1 Capital Ratio (%) (Minimum Requirement - 8.5%)	8.62%	10.34%
Total Capital Ratio (%) (Minimum Requirement - 12.5%)	12.70%	14.94%
Leverage Ratio (Minimum Requirement - 3%)	5.85%	6.31%
Regulatory Liquidity		
Statutory Liquid Assets (LKR in Thousands)	48,560,969	48,300,447
Statutory Liquid Assets Ratio (%) (Minimum Requirement - 20%)	27.72%	29.30%
Domestic Banking Unit (%)	-	-
Off-Shore Banking Unit (%)	-	-
Total Stock of High-Quality Liquid Assets (LKR in Thousands)	8,758,895	8,337,069
Liquidity Coverage Ratio (%) (Minimum Requirement - 100%)		
Rupee (%)	157.00%	146.00%
All Currency (%)	-	-
Net Stable Funding Ratio (%) (Minimum Requirement - 100%)	142.00%	143.00%
Assets Quality (Quality of Loan Portfolio)		
Gross Non-Performing Advances Ratio (%) (net of interest in suspense)	19.08%	10.11%
Net-Non Performing Advances Ratio (%) (net of interest in suspense and provision)	12.39%	3.86%
Profitability		
Interest Margin (%)	5.37%	5.17%
Return on Assets (before Tax) (%)	-0.30%	0.48%
Return on Equity (%)	-7.24%	2.69%

CERTIFICATION:

We, the undersigned, being the Chief Financial Officer and Chief Executive Officer (Actg.) 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: 27/08/2021

R.M. Damitha Kumari Rathnayaka
(Sgd.) Chief Executive Officer (Actg.)
Date: 27/08/2021

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2021

Rupees Thousands	Bank	
	Current Period 30/06/2021 (Unaudited)	Previous Period 30/06/2020 (Unaudited)
Cash flows from operating activities		
Profit before tax	114,172	146,376
Adjustment for:		
Non cash items included in profit before tax	2,297,811	1,283,114
Changes in operating assets	(8,605,739)	(4,825,999)
Changes in operating liabilities	10,909,185	7,929,590
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		