



# PRADESHIYA SANWARDHANA BANK

"BBB+" Negative  
ICRA Lanka

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2021

## INCOME STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2021

Rupees Thousands	Bank	
	Current Year 31/12/2021 (Unaudited)	Previous Year 31/12/2020 (Audited)
Interest income	23,327,778	23,182,459
Interest expenses	(10,046,525)	(12,294,381)
<b>Net interest income</b>	<b>13,281,253</b>	<b>10,888,078</b>
Fee and commission income	908,098	1,143,098
Fee and commission expenses	(501,118)	(271,935)
<b>Net fee and commission income</b>	<b>406,980</b>	<b>871,162</b>
Net gains/(losses) from trading	43	23,136
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	36,874	5,554
<b>Total operating income</b>	<b>13,725,150</b>	<b>11,787,931</b>
Impairment charges	(2,276,243)	(2,010,929)
<b>Net operating income</b>	<b>11,448,908</b>	<b>9,777,002</b>
Personnel expenses	(7,229,416)	(5,983,362)
Depreciation and amortization expenses	(437,732)	(616,793)
Other expenses	(1,131,090)	(1,115,988)
<b>Operating profit/(loss) before VAT on financial services</b>	<b>2,650,670</b>	<b>2,060,859</b>
VAT on financial services	(1,242,327)	(1,047,411)
<b>Operating profit/(loss) after VAT on financial services</b>	<b>1,408,343</b>	<b>1,013,448</b>
Share of profits of associates and joint ventures	-	-
<b>Profit/(loss) before tax</b>	<b>1,408,343</b>	<b>1,013,448</b>
Income tax expenses	(889,303)	(609,412)
<b>Profit/(loss) for the Year</b>	<b>519,040</b>	<b>404,036</b>
<b>Profit attributable to:</b>		
Equity holders of the parent	519,040	404,036
Non-controlling interests	-	-
<b>Earnings per share on profit</b>		
Basic earnings per ordinary share	0.95	0.74
Diluted earnings per ordinary share	-	-

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2021

Rupees Thousands	Bank	
	Current Year 31/12/2021 (Unaudited)	Previous Year 31/12/2020 (Audited)
<b>Profit/(loss) for the Year</b>	<b>519,040</b>	<b>404,036</b>
<b>Items that will be reclassified to income statement</b>		
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	-	-
<b>Items that will not be reclassified to income statement</b>		
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	(35,918)	(335,580)
Changes in revaluation surplus	-	-
Share of profits of associates and joint ventures	-	-
Differed Tax impact on retirement benefit obligation	-	80,539
Less: Tax expense relating to items that will not be reclassified to income statement	-	-
<b>Other Comprehensive Income (OCI) for the Period, net of taxes</b>	<b>(35,918)</b>	<b>(255,041)</b>
<b>Total comprehensive income for the period</b>	<b>483,122</b>	<b>148,995</b>
<b>Attributable to:</b>		
Equity holders of the parent	483,122	148,995
Non-controlling interest	-	-

## ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS AS AT 31<sup>ST</sup> DECEMBER 2021

a. Bank - Current Year				
Rupees Thousands	AC	FVPL	FVOCI	TOTAL
<b>ASSETS</b>				
Cash and cash equivalents	1,920,708	-	-	1,920,708
Balances with central bank	-	-	-	-
Placements with banks	6,596,191	-	-	6,596,191
Equity Instruments at fair value through profit or loss	-	188	-	188
Loans and advances	176,719,636	-	-	176,719,636
Debt instruments	54,746,500	-	-	54,746,500
Equity instruments	-	-	2,290	2,290
Other Assets	3,425,360	-	-	3,425,360
<b>Total Financial Assets</b>	<b>243,408,395</b>	<b>188</b>	<b>2,290</b>	<b>243,410,873</b>
<b>LIABILITIES</b>				
Due to banks	-	-	31,964,538	31,964,538
Derivative financial instruments	-	-	-	-
Financial liabilities	-	-	-	-
- due to depositors	-	-	187,761,991	187,761,991
- due to debt securities holders	-	-	-	-
- due to other borrowers	-	-	-	-
Debt securities issued	-	-	2,000,000	2,000,000
Other Liabilities	-	-	2,968,226	2,968,226
<b>Total Financial Liabilities</b>			<b>224,694,755</b>	<b>224,694,755</b>
<b>b. Bank - Previous year (Audited)</b>				
Rupees Thousands	AC	FVPL	FVOCI	TOTAL
<b>ASSETS</b>				
Cash and cash equivalents	3,758,858	-	-	3,758,858
Balances with central bank	-	-	-	-
Placements with banks	8,436,353	-	-	8,436,353
Equity Instruments at fair value through profit or loss	-	145	-	145
Loans and advances	156,694,052	-	-	156,694,052
Debt instruments	46,962,354	-	-	46,962,354
Equity instruments	-	-	2,290	2,290
Other Assets	1,788,635	-	-	1,788,635
<b>Total Financial Assets</b>	<b>217,640,253</b>	<b>145</b>	<b>2,290</b>	<b>217,642,688</b>
<b>LIABILITIES</b>				
Due to banks	-	-	21,796,679	21,796,679
Derivative financial instruments	-	-	-	-
Financial liabilities	-	-	-	-
- due to depositors	-	-	172,882,607	172,882,607
- due to debt securities holders	-	-	-	-
- due to other borrowers	-	-	-	-
Debt securities issued	-	-	2,000,000	2,000,000
Other Liabilities	-	-	4,175,419	4,175,419
<b>Total Financial Liabilities</b>			<b>200,854,704</b>	<b>200,854,704</b>

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2021

Rupees Thousands	Bank	
	Current Year 31/12/2021 (Unaudited)	Previous Year 31/12/2020 (Audited)
<b>Cash flows from operating activities</b>		
Profit before tax	2,650,670	2,060,859
Adjustment for:		
Non cash items included in profit before tax	2,987,314	3,347,846
Changes in operating assets	(22,597,566)	(23,217,047)
Changes in operating liabilities	18,247,923	23,818,207
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	(177,513)	(142,040)
Taxes on financial services	(1,072,398)	(1,276,060)
Tax Paid	(819,934)	(806,956)
<b>Net cash generated from/(used in) operating activities</b>	<b>(782,204)</b>	<b>3,784,809</b>
<b>Cash flows from investing activities</b>		
Purchase of Property, plant and equipment	(113,905)	(45,854)
Net purchase of intangible assets	(88,964)	(1,533)
Investment in Debenture	392,280	(500,000)
Investment in Fixed deposits (more than three months)	(4,231,861)	9,300,148
Proceeds from the sale of property, plant and equipment	18,450	888
Received Dividend Income	10,219	11
<b>Net cash (used in)/from investing activities</b>	<b>(4,013,781)</b>	<b>8,753,661</b>
<b>Cash flows from financing activities</b>		
Net proceeds from the issue of ordinary share capital	-	-
Payment of principal of operating lease	(331,470)	(318,230)
Net proceeds from the other borrowings	5,244,586	(630,784)
Redemption of Debentures	-	(2,500,000)
Interest paid & Repayment of debentures	(311,500)	(207,853)
<b>Net cash from financing activities</b>	<b>(4,601,616)</b>	<b>(3,656,866)</b>
Net increase/(decrease) in cash & cash equivalents	(194,369)	8,881,604
Cash & cash equivalents at the beginning of the Year	43,446,344	34,584,741
<b>Cash and cash equivalent at the end of the Year</b>	<b>43,251,975</b>	<b>43,466,344</b>
<b>Reconciliation of Cash &amp; Cash Equivalents</b>		
Cash and cash equivalent	1,920,708	3,758,858
Favorable balances with banks	-	-
Placements with Banks	6,596,191	8,436,353
Fixed deposits less than three months	35,963,607	31,546,909
Unfavorable balances with banks	(528,530)	(275,776)
	<b>43,251,975</b>	<b>43,466,344</b>

## STATEMENT OF FINANCIAL POSITION AS AT 31<sup>ST</sup> DECEMBER 2021

Rupees Thousands	Bank	
	Current Year 31/12/2021 (Unaudited)	Previous Year 31/12/2020 (Audited)
<b>Assets</b>		
Cash and cash equivalents	1,920,708	3,758,858
Balances with central bank	-	-
Placements with banks	6,596,191	8,436,353
Derivative financial instruments	-	-
Financial assets recognized through profit or loss	-	-
- measured at fair value	188	145
- designated at fair value	-	-
Financial assets at amortized cost	-	-
- loans and advances	176,719,636	156,694,052
- debt and other instruments	54,746,500	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	933,647	970,539
Right of use assets	468,511	598,979
Goodwill and intangible assets	113,686	21,273
Deferred tax assets	903,741	903,721
Other assets	4,567,078	2,760,587
<b>Total assets</b>	<b>246,972,176</b>	<b>221,109,151</b>
<b>Liabilities</b>		
Due to banks	31,964,538	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	187,761,991	172,882,632
- due to debt securities holders	-	-
- due to other borrowers	-	-
Debt securities issued	2,000,000	2,000,000
Retirement benefit obligations	3,046,465	2,782,875
Current tax liabilities	-	378,204
Deferred tax liabilities	-	-
Other liabilities	6,601,742	6,154,444
Due to subsidiaries	-	-
<b>Total liabilities</b>	<b>231,374,736</b>	<b>205,994,834</b>
<b>Equity</b>		
Stated capital/Assigned capital	8,047,230	8,047,230
Statutory reserve fund	788,415	762,463
OCI reserve	-	-
Retained earnings	2,776,729	2,449,319
Other reserves	3,985,065	3,855,305
<b>Total shareholders' equity</b>	<b>15,597,439</b>	<b>15,114,317</b>
Non-controlling interests	-	-
<b>Total equity</b>	<b>15,597,439</b>	<b>15,114,317</b>
<b>Total equity and liabilities</b>	<b>246,972,176</b>	<b>221,109,151</b>
<b>Contingent liabilities and commitments</b>	299,196	202,335
<b>Memorandum Information</b>		
Number of Employees	2,590	2,657
Number of Branches	272	276

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 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 Year	-	-	-	-	-	-	519,040	-	519,040	-	519,040
Other comprehensive income (net of tax)	-	-	-	-	-	-	(35,918)	-	(35,918)	-	(35,918)
<b>Total comprehensive income for the Year</b>	-	-	-	-	-	-	<b>483,122</b>	-	<b>483,122</b>	-	<b>483,122</b>
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	-	-	-	95,952	-	-	(155,712)	199,760	-	-	-
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)	-	-	-	-	-	-	-	-	-	-	-
<b>Total transactions with equity holders</b>	-	-	-	<b>95,952</b>	-	-	<b>(155,712)</b>	<b>199,760</b>	-	-	-
Balance as at 31/12/2021	-	-	8,047,230	788,415	-	-	2,776,729	3,985,065	15,597,439	-	15,597,439

## ANALYSIS OF LOANS & ADVANCES, COMMITMENTS, CONTINGENCIES AND IMPAIRMENT AS AT 31<sup>ST</sup> DECEMBER 2021

Rupees Thousands	Bank		Rupees Thousands	Bank	
	Current Year 31/12/2021 (Unaudited)	Previous Year 31/12/2020 (Audited)		Current Year 31/12/2021 (Unaudited)	Previous Year 31/12/2020 (Audited)
<b>Product-wise Gross loans &amp; advances</b>					
<b>By product - Domestic currency</b>					
Term loans	123,376,138	116,873,830			
Leasing	1,162,351	832,028			
Pawning	20,171,529	15,412,551			
Refinance	32,959,385	23,209,366			
Liya Isura	37,764	41,620			
Staff Loan	4,614,968	4,122,589			
Loans against Deposits	6,905,28				