

PRADESHIYA SANWARDANA BANK

"BBB+" Negative **ICRA Lanka**

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2022

INCOME STATEMENT FOR THE PERIOD ENDED 30 TH JUNE 2022					
	Ва	Bank			
Rupees Thousands	Current Period 30/06/2022 (Unaudited)	Previous Period 30/06/2021 (Unaudited)			
Interest income	13,425,987	10,935,593			
Interest expenses	(6,255,820)	(4,867,681)			
Net interest income Fee and commission income	7,170,167 513,902	6,067,913 414,769			
Fee and commission expenses	(268,581)	(152,669)			
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	245,320 - - -	262,100 - - -			
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	12,225	11,411			
Total operating income Impairment charges	7,427,713 (989,233)	6,341,423 (1,813,606)			
Net operating income Personnel expenses Depreciation and amortization expenses Other expenses	6,438,480 (4,002,150) (269,319) (708,850)	4,527,818 (3,477,457) (270,993) (665,196)			
Operating profit/(loss) before VAT on financial services VAT on financial services	1,458,161 (805,768)	114,172 (457,312)			
Operating profit/(loss) after VAT on financial services Share of profits of associates and joint ventures	652,393	(343,139)			
Profit/(loss) before tax Income tax expenses Profit/(loss) for the period	652,393 (444,242) 208,151	(343,139) (194,167) (537,306)			
Profit attributable to: Equity holders of the parent Non-controlling interests	208,151	(537,306)			
Earnings per share on profit Basic earnings per ordinary share Diluted earnings per ordinary share	0.38				

	Ва	nk
Rupees Thousands	Current Period 30/06/2022 (Unaudited)	Previous Period 30/06/2021 (Unaudited)
Profit/(loss) for the Period	208,151	(537,306)
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	-	-
Differed Tax Impact on Retirement Benefit Obligations	-	-
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	208,151	(537,306)
Attributable to:		
Equity holders of the parent	208,151	(537,306)
Non-controlling interest	-	-

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS AS AT 30TH JUNE 2022

Rupees Thousands	AC	FVPL	FVOCI	TOTAL
ASSETS				
Cash and cash equivalents	3,160,379	-	-	3,160,379
Balances with the Central Bank	-	-	-	-
Placements with banks	8,527,745	-	-	8,527,745
Equity Instruments at fair value through profit or loss		128	-	128
Loans and advances	190,010,530	-	-	190,010,530
Debt instruments	61,580,684	-	-	61,580,684
Equity instruments	-	-	2,290	2,290
Other Assets	5,301,756,524	-	-	5,301,756,524
Total Financial Assets	5,565,035,862	128	2,290	5,565,038,280
Rupees Thousands			Amortized Cost	TOTAL
IABILITIES				
Due to banks			41,778,272	41,778,27
Derivative financial instruments				,,
Financial liabilities			_	
- due to depositors			204,908,444	204,908,44
- due to debt securities holders			201,700,111	201,700,11
- due to other borrowers			_	
Debt securities issued			_	
Other Liability			3,812,560,250	3,812,560,25
Total Financial Liabilities			4,059,246,966	4,059,246,96
b. Bank - Previous Year (Unaudited)			1,037/210/700	1,037/210/70
Rupees Thousands	AC	FVPL	FVOCI	TOTAL
ASSETS	AC	FVPL	FVOCI	TOTAL
	1 404 070			4 404 076
Cash and cash equivalents	1,486,879	-	-	1,486,879
Balances with the Central Bank Placements with banks	6,596,073	-	-	6,596,073
	-	-	-	
Equity Instruments at fair value through profit or loss	475 000 (/7	188	-	188
Loans and advances	175,229,667	-	-	175,229,667
Debt instruments	54,856,210	-		54,856,210
Equity instruments		-	2,290	2,290
Other Assets Total Financial Assets	4,907,060 243,075,889	188	2,290	4,907,060 243,078,367
	243,073,667	100	,	
Rupees Thousands			Amortized Cost	TOTAL
LIABILITIES Due to legale			00 500 027	00 500 00
Due to banks			29,500,937	29,500,937
Derivative financial instruments			-	
Financial liabilities			107.750.445	407.750.55
- due to depositors			187,752,465	187,752,465
- due to debt securities holders			-	
- due to other borrowers				
Debt securities issued			2,000,000	2,000,000
G. 11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1				
Other Liability Total Financial Liabilities			7,693,301 226,946,703	7,693,30 226,946,70

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 TH JUNE 2022						
Bank						
Rupees Thousands	Current Period 30/06/2022 (Unaudited)	Previous Period 30/06/2021 (Unaudited)				
Cash flows from operating activities						
Profit before tax	1,458,161	114,172				
Adjustment for:						
Non cash items included in profit before tax	1,484,712	2,297,811				
Changes in operating assets	(5,505,743)	(8,605,739)				
Changes in operating liabilities	14,986,807	10,909,185				
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	(83,026)	(78,411)				
Taxes on financial services	(704,828)	(416,159)				
Tax Paid	(458,400)	(465,119)				
Net cash generated from/(used in) operating activities	11,177,683	3,755,740				
Cash flows from investing activities						
Purchase of Property, plant and equipment	108,838	-				
Net purchase of intangible assets	31,839	_				
Investment in Debenture	392,280	_				
Investment in Fixed deposits (more than three months)	(28,268,051)	(15,419,074)				
Proceeds from the sale of property, plant and equipment	350	69				
Received Dividend Income	15	_				
Net cash (used in)/from investing activities	(27,734,729)	(15,419,005)				
Cash flows from financing activities						
Net proceeds from the issue of ordinary share capital	_	_				
Payment of principal of operating lease	_	(154,528)				
Net proceeds from the other borrowings	10,240,319					
Redemption of debentures	, , , ₋	-				
Interest paid & repayment of debentures	(76,177)	(155,750)				
Net cash from financing activities	10,164,142	(310,278)				
Net increase/(decrease) in cash & cash equivalents	(6,392,904)	(11,973,543)				
Cash & cash equivalents at the beginning of the period	43,570,749	43,446,344				
Cash and cash equivalent at the end of the period	37,177,845	31,472,802				
Reconciliation of Cash & Cash Equivalents						
Cash and cash equivalent	3,160,379	2,006,641				
Favorable balances with banks						
Placements with Banks	8,527,745	8,572,957				
Fixed deposits less than three months	26,449,444	21,160,839				
Unfavorable balances with banks	(959,724)	(267,635)				

STATEMENT OF FINANCIAL POSITION A	S AT 30TH JU	NE 2022
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	Ba	nk
Rupees Thousands	Current Period 30/06/2022 (Unaudited)	Previous Year 31/12/2021 (Unaudited)
Assets		
Cash and cash equivalents	3,160,379	1,486,879
Balances with the Central Bank	0.507.745	- (50/ 072
Placements with banks Derivative financial instruments	8,527,745	6,596,073
Financial assets recognized through profit or loss		_
- measured at fair value	128	188
- designated at fair value	-	-
Financial assets at amortized cost - loans and advances	190,010,530	175,229,667
- debt and other instruments	61,580,684	54,856,210
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	972,409	928,568
Right of use assets	697,279	505,092
Goodwill and intangible assets	115,332	113,689
Deferred tax assets Other assets	903,741 6,392,564	1,263,795 4,907,060
Total assets	272,363,082	245,889,512
Liabilities	272,303,002	243,007,312
Due to banks	41,778,272	29,500,937
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	204,908,444	187,752,465
- due to debt securities holders	' -	
- due to other borrowers	-	
Debt securities issued	- 0.000.440	2,000,000
Retirement benefit obligations Current tax liabilities	2,989,110	3,046,465 503,022
Deferred tax liabilities	_	505,022
Other liabilities	7,085,782	7,693,301
Due to subsidiaries	-	-
Total liabilities	256,761,607	230,496,188
Equity	0.047.000	0.047.000
Stated capital/Assigned capital	8,047,230	8,047,230
Statutory reserve fund OCI reserve	777,778	777,778
Retained earnings	2,844,585	2,636,434
Other reserves	3,931,881	3,931,881
Total shareholders' equity	15,601,475	15,393,322
Non-controlling interests	-	-
Total equity	15,601,475	15,393,322
Total equity and liabilities	272,363,082	245,889,512
Contingent liabilities and commitments	258,086	225,888
Memorandum Information		
Number of Employees	2,567	2,590

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30TH JUNE 2022

	Stated co	apital/Assigned	Capital			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 01/01/2022 (Opening balance)	-	-	8,047,230	777,778	-	-	2,636,434	3,931,881	15,393,323	-	15,393,324
Total comprehensive income for the Period Profit/(loss) for the Period (net of tax) Other comprehensive income (net of tax)	-	-	-	-	-	-	208,151	-	208,151	-	208,151
Total comprehensive income for the Period	-	-	-	-	-	-	208,151	-	208,151	-	208,151
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	-	-	-	-	-	-	-	-	-	-	-

ANALYSIS OF LOANS & ADVANCES, COMMITMENTS, CONTINGENCIES AND IMPAIRMENT AS AT 30TH JUNE 2022

	1		ONTINGENOIES AND IMI AIRMENT A	1	
	Bank			Bar	ık
Rupees Thousands	Current Period 30/06/2022 (Unaudited)	Previous Year 31/12/2021 (Unaudited)	Rupees Thousands	Current Period 30/06/2022 (Unaudited)	Previous Year 31/12/2021 (Unaudited)
Productwise Gross loans & advances			Sub total	-	-
By product – Domestic currency	400 404 040	405 400 7/7	Total	258,086	225,888
Term loans	128,496,969	125,188,767	Stagewise impairment on loans &		
Leasing Pawning	1,363,540 28,462,450	853,278	advances, commitments and		
Refinance	33,678,191	20,173,959 31,511,331	contingencies		
Liya Isura	36,961	37,781	Gross loans and advances,	204,923,305	189,265,555
Staff Loan	4,922,178	4,614,968	commitments and contingencies		
Loans against Deposits	7,581,182	6,535,720	Less:	0.774.001	0.530.000
SME	123,747	123,863	Accumulated impairment under stage 1	2,664,201	2,530,820
Sub total	204,665,219	189,039,666	Accumulated impairment under stage 2 Accumulated impairment under stage 3	2,766,920 8,497,247	3,038,215 7,370,100
By product – Foreign currency			,	0,497,247	7,370,100
Overdrafts	_	_	Net value of loans and advances, commitments and contingencies	190,994,937	477 207 400
Term loans	_	_	commitments and contingencies	190,994,937	176,326,420
Guarantees	-	-	Movement of impairment during the Period		
Bonds	-	-	Under Stage 1		
Other loans (specify)	-	-	Charge/(Write back) to income statement	133,381	988,608
Sub total	-	-	Write-off during the period	133,301	900,000
Total	204,665,219	189,039,666	Other movements	-	-
Product-wise commitments and					
contingencies			Closing balance as at 30/06/2022	2,664,201	2,530,820
By product – Domestic currency			Under Stage 2	,	
Guarantees	192,211	177,767	Charge/(Write back) to income statement	(271,295)	1,771,323
Bonds	-	-	Write-off during the period	-	-
Undrawn credit lines	-	-	Other movements	-	-
Other commitments (specify)		- 10 404	Closing balance as at 30/06/2022	2,766,920	3,038,215
Other contingencies (Bill Purchase) Sub total	65,875	48,121	Under Stage 3		
Suo total	258,086	225,888	Charge/(Write back) to income statement	1,127,146	496,846
By product – Foreign currency			Write-off during the Period	-	-
Guarantees	-	-	Other movements	-	-
Bonds	-	-	Collective Impairment not recognized	-	_
Undrawn credit lines	-	-	Closing balance as at 30/06/2022	8,497,247	7,370,100
Other commitments (specify)	-	-	Total impairment under SLFRS 9	13,928,368	12,939,135
Other contingencies (specify)	-	-	Total impairment under striks 7	13,720,300	12/13//133

ANALYSIS OF DEPOSITS AS AT 30TH JUNE 2022

	Bank		
Rupees Thousands	Current Period Previous Yea 30/06/2022 31/12/2021 (Unaudited) (Unaudited		
By product – Domestic currency			
Demand deposits (current accounts)	-	-	
Savings deposits	68,855,859	72,159,493	
Fixed deposits	136,052,585	115,592,972	
Others (Specify)			
Sub total	204,908,444	187,752,465	

	Bank Current Period Previous Ye 30/06/2022 31/12/202 (Unaudited) (Unaudited)		
Rupees Thousands			
By product – Foreign currency			
Demand deposits (current accounts)	-	-	
Savings deposits	-	-	
Fixed deposits	-	-	
Others (Specify)	-	-	
Sub total	-	_	
Total	204,908,444	187,752,465	

SELECTED PERFORMANCE INDICATORS AS AT 30TH JUNE 2022 (Based on Regulatory Reporting)

Item	30/06/2022 (Unaudited)	31/12/2021 (Unaudited)
Regulatory Capital Adequacy (LKR in Thousands)		
Common Equity Tier 1	13,572,406	14,189,229
Core (Tier 1) Capital	13,572,406	14,189,229
Total Capital Base	26,949,211	20,168,998
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital (%) (Minimum Requirement - 7%)	7.93%	9.26%
Tier 1 Capital Ratio (%) (Minimum Requirement - 8.5%)	7.93%	9.26%
Total Capital Ratio (%) (Minimum Requirement - 12.5%)	15.73%	13.16%
Leverage Ratio (Minimum Requirement - 3%)	4.91%	5.67%
Regulatory Liquidity		
Statutory Liquid Assets (LKR in Thousands)	53,825,149	47,221,606
Statutory Liquid Assets Ratio (%) (Minimum Requirement - 20%)		
Domestic Banking Unit (%)	28.53%	26.18%
Off-Shore Banking Unit (%)	-	-
Total Stock of High-Quality Liquid Assets (LKR in Thousands)	7,945,944	9,466,903
Liquidity Coverage Ratio (%) (Minimum Requirement - 100%)		
Rupee (%)	129.00%	174.00%
All Currency (%)	-	-
Net Stable Funding Ratio (%) - (Minimum Requirement - 100%)	134.00%	127.00%
Assets Quality (Quality of Loan Portfolio)		
Gross Non-Performing Advances Ratio (%) (net of interest in suspense)	10.63%	8.71%
Net-Non Performing Advances Ratio (%) (net of interest in suspense and provision)	3.74%	1.80%
Profitability		
Interest Margin (%)	5.53%	5.85%
Return on Assets (before Tax) (%)	0.50%	0.33%
Return on Equity (%)	2.69%	2.01%

CERTIFICATION:

Date: 30/08/2022

37,177,845

31,472,802

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 has been extracted from the unaudited financial statements of the bank unless indicated as audited. P.S. Edirisuriya (Sgd.) Chief Financial Officer

A.H.M.M.B. Jayasinghe (Sgd.) Chief Executive Officer Date: 30/08/2022