

PRADESHIYA SANWARDANA BANK

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2023

Total shareholders' equity

Total equity and liabilities

Memorandum Information Number of Employees

Number of Branches

Contingent liabilities and commitments

Non-controlling interests

Total equity

	Ва	nk	
Rupees Thousands	Current Period 31/03/2023 (Unaudited)	Previous Period 31/03/2022 (Unaudited)	
Interest income	11,333,419	6,093,597	
Interest expenses	(7,854,702)	(2,376,151)	
Net interest income Fee and commission income	3,478,717 212,170	3,717,446 327,560	
Fee and commission expenses	(149,606)	(128,422)	
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	62,564 - - -	199,138 15 - -	
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	<u>:</u>	- - -	
Net other operating income	2,233	7,564	
Total operating income Impairment charges	3,543,514 (497,384)	3,924,162 (602,310)	
Net operating income Personnel expenses Depreciation and amortization expenses Other expenses	3,046,130 (2,145,542) (125,331) (735,894)	3,321,852 (1,905,563) (82,817) (489,910)	
Operating profit/(loss) before VAT & SSCL on financial services VAT on financial services Social Security Contribution Levy	39,363 (334,401) (51,310)	843,562 (401,030)	
Operating profit/(loss) after VAT & SSCL on financial services Share of profits of associates and joint ventures	(346,348)	442,532	
Profit/(loss) before tax	(346,348)	442,532	
Income tax expenses Profit/(loss) for the period	(346,348)	(230,493) 212,039	
Profit attributable to: Equity holders of the parent Non-controlling interests	(346,348)	212,039 -	
Earnings per share on profit Basic earnings per ordinary share Diluted earnings per ordinary share	-	0.39	

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 ST MARCH 2023						
	Ba	nk				
Rupees Thousands	Current Period 31/03/2023 (Unaudited)	Previous Period 31/03/2022 (Unaudited)				
Profit/(loss) for the Period	(346,348)	212,039				
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	(346,348)	212,039				
Attributable to: Equity holders of the parent Non-controlling interest	(346,348)	212,039 -				

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS AS AT 31ST MARCH 2023

Unfavorable balances with banks

Diluted earnings per ordinary share

Rupees Thousands	AC	FVPL	FVOCI	TOTAL
ASSETS				
Cash and cash equivalents	5,329,631	-	-	5,329,631
Balances with Central Bank		-	-	-
Placements with banks	17,329,876	_	-	17,329,876
Equity Instruments at fair value through profit or loss		138	_	138
oans and advances	200,350,660	-	_	200,350,660
Debt instruments	55,695,938	_	_	55,695,938
caulty instruments	-	_	2,290	2,290
Other Assets	5,614,738	_	2,270	5,614,738
Total Financial Assets	284,320,844	138	2,290	284,323,272
Rupees Thousands			Amortized Cost	TOTAL
•			Amortized Cost	IOIAL
.IABILITIES Due to banks			46,636,674	46,636,67
			40,030,074	+0,030,07
Derivative financial instruments			-	
Financial liabilities			017 022 1/5	047.000.44
- due to depositors			217,033,165	217,033,16
- due to debt securities holders			-	
- due to other borrowers			-	
Debt securities issued				
Other Liability			5,205,930	5,205,93
Total Financial Liabilities			268,875,769	268,875,76
b. Bank - Previous Year (Unaudited)				
Rupees Thousands	AC	FVPL	FVOCI	TOTAL
ASSETS				
Cash and cash equivalents	3,080,178	-	-	3,080,178
Balances with Central Bank	-	-	-	
Placements with banks	5,943,411	-	-	5,943,411
Equity Instruments at fair value through profit or loss	-	120	-	120
Loans and advances	197,961,316	-	-	197,961,316
Debt instruments	65,098,262	-	-	65,098,262
Equity instruments	· · · -	-	2,290	2,290
Other Assets	5,790,776	_	-	5,790,776
Total Financial Assets	277,873,943	120	2,290	277,876,354
Rupees Thousands			Amortized Cost	TOTAL
LIABILITIES				
Due to banks			47,470,707	47,470,70
Derivative financial instruments				,
inancial liabilities			_	
- due to depositors			210,301,323	210,301,32
			210,001,020	210,001,02
- due to debt securities holders			-	
- due to de ^l ot securities holders - due to other borrowers			-	
- due to debt securities holders			5,408,329	5,408,39

STATEMENT OF CASH FLOWS FOR THE DEDION ENDER 31ST MARCH 2023

	Ba	Bank			
Rupees Thousands	Current Period 31/03/2023 (Unaudited)	Previous Period 31/03/2022 (Unaudited)			
Cash flows from operating activities		0.000/2022 (0.0000000000			
Profit before tax	(346,348)	843,562			
Adjustment for:					
Non cash items included in profit before tax	2,566,428	780,823			
Changes in operating assets	31,809,303	(11,050,259)			
Changes in operating liabilities	9,209,895	(1,996,167)			
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	(154,967)	(141,295)			
Taxes on financial services	(55,955)	(485,209)			
Tax Paid	-	(369,959)			
Net cash generated from/(used in) operating activities	43,028,356	(12,418,505)			
Cash flows from investing activities					
Purchase of property, plant and equipment	(232,280)	128,405			
Net purchase of intangible assets	(674)	(125)			
Investment in Debenture	-	392,280			
Investment in Fixed deposits (more than three months)	(27,229,067)	(4,501,431)			
Proceeds from the sale of property, plant and equipment	334	313,756			
Received Dividend Income	4,385	240			
Net cash (used in)/from investing activities	(27,457,302)	(3,666,875)			
Cash flows from financing activities					
Net proceeds from the issue of ordinary share capital	-	-			
Payment of principal of operating lease		(37,958)			
Net proceeds from the other borrowings	(4,396,210)	(4,914,429)			
Redemption of debentures	- (7(477)	- 4.00/4//			
Interest paid & repayment of debentures	(76,177)	(1,926,166)			
Net cash from financing activities	(4,472,386)	(6,878,553)			
Net increase/(decrease) in cash & cash equivalents	11,098,668	(22,963,933)			
Cash & cash equivalents at the beginning of the Year Cash and cash equivalent at the end of the Year	30,057,262 41,155,930	49,025,965 26,062,033			
cash and cash equivalent at the end of the real	41,133,930	20,002,033			
Reconciliation of Cash & Cash Equivalents					
Cash and cash equivalent	5,329,631	2,607,272			
Favorable balances with banks	17 200 27/	F 770 470			
Placements with Banks Fixed deposits loss than three months	17,329,876	5,778,178			
Fixed deposits less than three months	19,713,526	19,196,122			

	Bank			
Rupees Thousands	Current Period 31/03/2023 (Unaudited)	Previous Year 31/12/2022 (Unaudited)		
Assets				
Cash and cash equivalents	5,329,631	3,080,178		
Balances with Central Bank		· · · -		
Placements with banks	17,329,876	5,943,411		
Derivative financial instruments	-	-		
Financial assets recognized through profit or loss	- 420	- 100		
- measured at fair value - designated at fair value	138	120		
Financial assets at amortized cost	-	-		
- Joans and advances	200,350,660	197,961,316		
- debt and other instruments	55,695,938	65,098,262		
Financial assets measured at fair value through other comprehensive income	2,290	2,290		
Investment in subsidiaries	-	-		
Investments in associates and joint ventures	1 100 (12	- 024.150		
Property, plant and equipment Right of use assets	1,129,613 484,718	934,150 687,826		
Goodwill and intangible assets	73,583	73,411		
Deferred tax assets	1,854,705	1,854,705		
Other assets	7,062,846	7,834,613		
Total assets	289,313,999	283,470,283		
Liabilities		, ,		
Due to banks	46,636,674	47,470,707		
Derivative financial instruments	-	· · · -		
Financial liabilities recognized through profit or loss				
- measured at fair value	-	-		
- designated at fair value	-	-		
Financial liabilities at amortized cost	017 000 175	010 201 202		
- due to depositors - due to debt securities holders	217,033,165	210,301,323		
- due to deol securities riolders - due to other borrowers				
Debt securities issued	_			
Retirement benefit obligations	2,570,417	3.091.581		
Current tax liabilities	2,370,417	406,450		
Deferred tax liabilities	-	-		
Other liabilities	7,797,826	6,877,958		
Due to subsidiaries	-	-		
Total liabilities	274,038,083	268,148,019		
Equity				
Stated capital/Assigned capital	8,521,865	8,221,865		
Statutory reserve fund	801,461	801,461		
OCI reserve	-	-		
Retained earnings	1,902,296	2,248,644		
Other reserves	4,050,295	4,050,295		

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2023

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH 2023

15,275,916

15,275,916

289,313,999

294,732

2,431

15,322,264

15,322,264

377,178

2,531

272

283,470,283

	Stated capital/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 01/01/2023 (Opening balance)	-	-	8,221,865	801,461	-	-	2,248,644	4,050,295	15,322,264	-	15,322,264
Total comprehensive income for the Period Profit/(loss) for the Period (net of tax) Other comprehensive income (net of tax)	-	-	-	-	-	-	(346,348)	-	(346,348)	-	(346,348)
Total comprehensive income for the Period	-	-	-	-	-	-	(346,348)		(346,348)	-	(346,348)
Transactions with equity holders, recognised											
directly in equity											
Share issue/increase of assigned capital	-	-	300,000	-	-	-	-	-	300,000	-	300,000
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	-	-	300,000	-	-	-	-	-	300,000	-	300,000

ANALYSIS OF LOANS & ADVANCES, COMMITMENTS, CONTINGENCIES AND IMPAIRMENT AS AT 31st MARCH 2023

	Bar	nk		Bar	nk
Rupees Thousands	Current Period 31/03/2023 (Unaudited)	Previous Year 31/12/2022 (Unaudited)	Rupees Thousands	Current Period 31/03/2023 (Unaudited)	Previous Year 31/12/2022 (Unaudited)
Product-wise Gross loans & advances			Sub total	-	-
By product – Domestic currency	115 0/0 000	110.057.700	Total	294,732	225,888
Term loans	115,262,202	118,956,730	Stage-wise impairment on loans &		
Leasing	1,304,312 44,599,928	1,405,634 42,234,453	advances, commitments and		
Pawning Refinance	38,687,517	36,791,247	contingencies		
Liya Isura	33,591	33,967	Gross loans and advances,	040 554 540	045 400 450
Staff Loan	5,947,437	5,499,384	commitments and contingencies	218,554,710	215,602,152
Loans against Deposits	12,303,677	10,333,537	Less: Accumulated impairment under	2.005.040	2.054.007
SME	121,313	121,313	stage 1 Accumulated impairment under stage 2	3,095,949	3,854,826
Sub total	218,259,978	215,376,264	Accumulated impairment under stage 2 Accumulated impairment under stage 3	6,519,200 6,717,706	4,716,557 7,267,104
By product – Foreign currency			• I	0,717,700	7,207,104
Overdrafts	_	_	Net value of loans and advances,	000 004 054	400 7/2 //5
Term loans	_	_	commitments and contingencies	202,221,854	199,763,665
Guarantees	_	-	Movement of impairment during the Period		
Bonds	_	-	Under Stage 1		
Other loans (specify)	-	-	Charge/(Write back) to income statement	(758,877)	1,324,007
Sub total	-	-		(/38,8//)	1,324,007
Total	218,259 ,978	215,376,264	Write-off during the period	-	-
Product-wise commitments and			Other movements		
contingencies			Closing balance as at 31/03/2023	3,095,949	3,854,826
By product – Domestic currency			Under Stage 2		
Guarantees	202,242	177,767	Charge/(Write back) to income statement	1,802,644	1,678,342
Bonds	-	-	Write-off during the period	-	-
Undrawn credit lines	-	-	Other movements	-	-
Other commitments (specify)	-	-	Closing balance as at 31/03/2023	6,519,200	4,716,557
Other contingencies (Bill Purchase)	92,490	48,121	Under Stage 3		
Sub total	294,732	225,888	Charge/(Write back) to income statement	(549,398)	(102,996)
By product – Foreign currency			Write-off during the Period	-	
Guarantees	-	-	Other movements	_	_
Bonds	-	-	Collective Impairment not recognized	_	_
Undrawn credit lines	-	-	Closing balance as at 31/03/2023	6,717,706	7,267,104
Other contingencies (specify)	-	-	Total impairment under SLFRS 9	16,332,856	15,838,487

ANALYSIS OF DEPOSITS AS AT 31ST MARCH 2023

	P			
	Bank			
Rupees Thousands	Current Period 31/03/2023 (Unaudited)	Previous Year 31/12/2022 (Unaudited)		
By product – Domestic currency				
Demand deposits (current	-	-		
accounts)				
Savings deposits	65,114,743	65,852,447		
Fixed deposits	151,918,422	144,448,876		
Others (Specify)		· · · -		
Sub total	217,033,165	210,301,323		

	Bank			
Rupees Thousands	Current Period 31/03/2023 (Unaudited)	Previous Year 31/12/2022 (Unaudited)		
By product – Foreign currency				
Demand deposits (current accounts)	-	-		
Savings deposits	-	-		
Fixed deposits	-	-		
Others (Specify)	-	-		
Sub total	-	-		
Total	217,033,165	210,301,323		

SELECTED PERFORMANCE INDICATORS AS AT 31ST MARCH 2023 (Based on Regulatory Reporting)

ltem	31/03/2023 (Unaudited)	31/12/2022 (Unaudited)
Regulatory Capital Adequacy (LKR in Thousands)		
Common Equity Tier 1	13,266,454	12,738,236
Core (Tier 1) Capital	13,266,454	12,738,236
Total Capital Base	23,186,724	22,834,310
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital (%) (Minimum Requirement - 7%)	8.39%	8.30%
Tier 1 Capital Ratio (%) (Minimum Requirement - 8.5%)	8.39%	8.30%
Total Capital Ratio (%) (Minimum Requirement - 12.5%)	14.70%	14.87%
Leverage Ratio (Minimum Requirement - 3%)	4.57%	4.71%
Regulatory Liquidity		
Statutory Liquid Assets (LKR in Thousands)	61,063,486	55,790,668
Statuory Liquid Assets Ratio (%) (Minimum Requirement - 20%)		
Domestic Banking Unit (%)	30.22%	27.83%
Off-Shore Banking Unit (%)	-	-
Total Stock of High-Quality Liquid Assets (LKR in Thousands)	13,847,383	10,333,885
Liquidity Coverage Ratio (%) (Minimum Requirement - 100%)		
Rupee (%)	239.00%	167.00%
All Currency (%)	-	-
Net Stable Funding Ratio (%) - (Minimum Requirement - 100%)	103.00%	101.00%
Assets Quality (Quality of Loan Portfolio)		
Gross Non-Performing Advances Ratio (%) (net of interest in suspense)	10.04%	8.46%
Net-Non Performing Advances Ratio (%) (net of interest in suspense and provision)	2.29%	0.94%
Profitability		
Interest Margin (%)	4.86%	5.91%
Return on Assets (before Tax) (%)	-0.48%	0.21%
Return on Equity (%)	-9.06%	3.08%
Credit Rating - Pending		

| CERTIFICATION :

Date: 30/05/2023

(1,217,103)

41,155,930

(1,519,539)

26,062,033

We, the undersigned, being the Chief Financial Officer and Acting 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 **P.S. Edirisuriya** (Sgd.) Act. Chief Executive Officer

Date: 30/05/2023