

PRADESHIYA SANWARDANA BANI

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2023

Non-controlling interests

Total equity and liabilities

Memorandum Information

Number of Employees

Contingent liabilities and commitments

Total equity

	INCOME STATEMENT FOR THE PERIOD ENDED 30 TH JUNE 2023				
Bai	nk				
Current Period 30/06/2023 (Unaudited)	Previous Period 30/06/2022 (Unaudited)				
23,197,941	13,425,987				
(15,819,665)	(6,255,820)				
7,378,277 455,889 (309,541)	7,170,167 513,902 (268,581)				
146,348	245,320				
- - - -	- - - 12,225				
7,529,617 (815,246)	7,427,713 (989,233)				
6,714,372 (4,325,305) (297,490) (1,519,225)	6,438,480 (4,002,150) (269,319) (708,850)				
572,352 (763,886) (103.894)	1,458,161 (805,768)				
(295,429)	652,393				
(295,429) (233,896)	652,393 (444,242)				
(529,325)	208,151				
(529,325)	208,151				
	(815,246) 6,714,372 (4,325,305) (297,490) (1,519,225) 572,352 (763,886) (103,894) (295,429) (233,896) (529,325)				

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 TH JUNE 2023				
	Ba	nk		
Rupees Thousands	Current Period 30/06/2023 (Unaudited)	Previous Period 30/06/2022 (Unaudited)		
Profit/(loss) for the Period	(529,325)	208,151		
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	İ			
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	(529,325)	208,151		
Attributable to:				
Equity holders of the parent	(529,325)	208,151		

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS AS AT 30TH JUNE 2023

. Baı	nk -	Current	Period	(Unaudited)	
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Unfavorable balances with banks

Non-controlling interest

Earnings per share on profit Basic earnings per ordinary share Diluted earnings per ordinary share

Rupees Thousands	AC	FVPL	FVOCI	TOTAL
ASSETS				
Cash and cash equivalents	1,851,297	-	-	1,851,297
Balances with Central Bank	44,000,307	-	-	44 000 207
Placements with banks	46,009,397	138	-	46,009,397
Equity Instruments at fair value through profit or loss Loans and advances	198,504,264	138	-	138 198,504,264
Debt instruments	29,798,169	-	-	29,798,169
Equity instruments	29,790,109	-	2,290	2,778,107
Other Assets	5,821,210		2,270	5,821,210
Total Financial Assets	281,984,338	138	2,290	281,986,766
Rupees Thousands			Amortized Cost	TOTAL
LIABILITIES			Amortized Cost	IOIAL
Due to banks			45,452,903	45,452,903
			45,452,903	45,452,903
Derivative financial instruments Financial liabilities			-	-
- due to depositors			217,876,920	217,876,920
- due to depositors - due to debt securities holders			217,070,920	217,870,920
- due to deot securities riolders - due to other borrowers			-	
Debt securities issued			_ [-
Other Liabilities			5,074,298	5,074,298
Total Financial Liabilities			268,404,121	268,404,121
b. Bank - Previous Year (Audited)			200/101/121	200/101/121
Rupees Thousands	AC	FVPL	FVOCI	TOTAL
ASSETS	7.0	1112	1100	1017/2
Cash and cash equivalents	2,889,884	_	_	2,889,884
Balances with Central Bank	2,007,004		_ [2,007,007
Placements with banks	6,133,705	_	_	6,133,705
Equity Instruments at fair value through profit or loss	-	190	_	120
Loans and advances	198,008,145	-	_	198,008,145
Debt instruments	65,079,636	-	-	65,079,636
Equity instruments	-	-	2,290	2,290
Other Assets	5,713,170	-		5,713,170
Total Financial Assets	277,824,540	120	2,290	277,826,951
Rupees Thousands			Amortized Cost	TOTAL
LIABILITIES				
Due to banks			47,470,707	47,470,707
Derivative financial instruments			-	-
Financial liabilities			-	-
- due to depositors			210,301,323	210,301,323
- due to debt securities holders			-	-
- due to other borrowers			-	-
Debt securities issued				
Other Liabilities			5,404,318	5,404,318
Total Financial Liabilities			263,176,349	263,176,349

	200/170/01	203/170/017
STATEMENT OF CASH FLOW FOR THE PERI	OD ENDED 30 ^{1H} JUNE 2	2023
	Ва	ank
Rupees Thousands	Current Period 30/06/2023 (Unaudited)	Previous Period 30/06/2022 (Unaudited
Cash flow from operating activities		
Profit before tax	(295,429)	1,458,161
Adjustment for:		
Non cash items included in profit before tax	3,049,930	1,484,712
Changes in operating assets	34,419,893	(5,505,743)
Changes in operating liabilities	9,344,742	14,986,807
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	-	-
Other reclassifications	(447 (40)	(02.00()
Contribution paid to defined benefit plans	(417,610)	(83,026)
Taxes on financial services	(564,094)	(704,828)
Tax Paid	(76,721) 45,460,711	(458,400) 11,177,683
Net cash generated from/(used in) operating activities	43,460,711	11,177,003
Cash flow from investing activities	(004.00()	400,000
Purchase of Property, plant and equipment	(281,826)	108,838
Net purchase of intangible assets	4,692	31,839
Investment in Debenture	-	392,280
Investment in Fixed deposits (more than three months)	(14,214,910)	(28,268,051)
Proceeds from the sale of property, plant and equipment	334	350
Received Dividend Income	12,243	15
Net cash (used in)/from investing activities	(14,479,467)	(27,734,729)
Cash flow from financing activities		
Net proceeds from the issue of ordinary share capital	-	-
Payment of principal of operating lease	-	-
Net proceeds from the other borrowings	(5,908,601)	10,240,319
Redemption of debentures	-	-
Interest paid & repayment of debentures	-	(76,177)
Net cash from financing activities	(5,908,601)	10,164,142
Net increase/(decrease) in cash & cash equivalents	25,072,643	(6,392,904)
Cash & cash equivalents at the beginning of the Year	30,165,020	43,570,749
Cash and cash equivalent at the end of the Year	55,237,663	37,177,845
Reconciliation of Cash & Cash Equivalents		
Cash and cash equivalent	1,851,297	3,160,379
Favorable balances with banks		
Placements with banks	46,009,397	8,527,745
Fixed deposits less than three months	8,287,219	26,449,444
Halfan and Halfan Landau and State and a	(010.051)	(050 704)

	(Unaudited)	(Audited)
Assets		
Cash and cash equivalents	1,851,297	2,889,884
Balances with Central Bank	-	- (100 705
Placements with banks Derivative financial instruments	46,009,397	6,133,705
Financial assets recognized through profit or loss	-	-
- measured at fair value	138	120
- designated at fair value	-	
Financial assets at amortized cost	100 50 / 0/ /	400 000 445
- loans and advances - debt and other instruments	198,504,264 29,798,169	198,008,145 65,079,636
Financial assets measured at fair value through other comprehensive income	2,790,109	2,290
Investment in subsidiaries	-	
Investments in associates and joint ventures		
Property, plant and equipment	1,145,782	926,615
Right of use assets Goodwill and intangible assets	785,705 73,560	718,097 68,868
Deferred tax assets	3,525,175	3,525,175
Other assets	8,348,246	8,042,616

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2023

Rupees Thousands

Current Period Previous Year

31/12/2022

30/06/2023

15,996,802

290,044,023

392,324

2,407 272

16,226,127

285,395,150

380,380

2,531

_	investment in substitution		
	Investments in associates and joint ventures	-	-
	Property, plant and equipment	1,145,782	926,615
:	Right of use assets	785,705	718,097
	Goodwill and intangible assets	73,560	68,868
	Deferred tax assets	3,525,175	3,525,175
	Other assets	8,348,246	8,042,616
i	Total assets	290,044,023	285,395,150
:	Liabilities		
•	Due to banks	45,452,903	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		
ı	- due to depositors	217,876,920	210,301,323
	- due to debt securities holders	-	-
•	- due to other borrowers	_	-
	Debt securities issued	-	-
	Retirement benefit obligations	2,673,970	3,091,581
	Current tax liabilities	-	1,011,924
:	Deferred tax liabilities	_	
	Other liabilities	8,043,426	7,293,487
	Due to subsidiaries	_	_
	Total liabilities	274,047,220	269,169,022
	Equity		
	Stated capital/Assigned capital	8,521,865	8,221,865
	Statutory reserve fund	845,248	845,248
	OCI reserve		· -
•	Retained earnings	2,360,460	2,889,786
	Other reserves	4,269,229	4,269,229
	Total shareholders' equity	15,996,802	16,226,127
	Iotal shareholders equity	13,770,002	10,220,121

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30TH JUNE 2023

	Stated c	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	Total	Controlling interest	Total Equity
Balance as at 01/01/2023 (Opening balance)	-	-	8,221,865	845,248		-	2,889,786	4,269,229	16,226,127	-	16,226,127	
Total comprehensive income for the Period Profit/(loss) for the Period (net of tax) Other comprehensive income (net of tax)	-	-	-	-	-	-	(529,325)	-	(529,325)	-	(529,325)	
Total comprehensive income for the Period	-	-	-	-	-	-	(529,325)	-	(529,325)	-	(529,325)	
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	
Balance as at 30/06/2023	-	-	8,521,865	845,248	-	-	2,360,460	4,269,229	15,996,802		15,996,802	

ANALYSIS OF LOANS & ADVANCES, COMMITMENTS, CONTINGENCIES AND IMPAIRMENT AS AT 30TH JUNE 2023

	Bar	ık		Ban	k
Rupees Thousands	Current Period 30/06/2023 (Unaudited)	Previous Year 31/12/2022 (Audited)	Rupees Thousands	Current Period 30/06/2023 (Unaudited)	Previous Year 31/12/2022 (Audited)
Product-wise Gross loans & advances			Sub total	-	-
By product – Domestic currency			Total	392,324	380,380
Term loans	109,926,926	120,060,154	Stagewise impairment on loans &		
Leasing	1,236,989	1,193,310	advances, commitments and		
Pawning	47,426,146	42,234,453	contingencies		
Refinance	39,626,082	35,894,658	Gross loans and advances,	217,076,190	215,752,882
Liya Isura Staff Loan	33,226 6,004,070	33,967 5,501,111	commitments and contingencies		
Loans against Deposits	12,262,917	10,333,537	Less:		
SME	167,510	121,313	Accumulated impairment under stage 1	3,373,877	4,130,235
Sub total	216,683,865	215,372 502	Accumulated impairment under stage 2	5,487,267	5,063,057
		,,	Accumulated impairment under stage 3	7,741,510	6,598,756
By product – Foreign currency Overdrafts			Net value of loans and advances,		
Term loans	-	-	commitments and contingencies	200,473,536	199,960,833
Guarantees	-		Movement of impairment during the Period		
Bonds	_		· · · · ·		
Other loans (specify)	_	_	Under Stage 1		
Sub total	_	_	Charge/(Write back) to income statement	(751,718)	1,599,415
Total	216,683,865	215,372,502	Writeoff during the period	-	-
Productwise commitments and			Other movements	-	-
contingencies			Closing balance as at 30/06/2023	3,373,877	4,130,234
By product – Domestic currency			Under Stage 2		
Guarantees	304,438	180,046	Charge/(Write back) to income statement	424,209	2,024,842
Bonds	-	-	Writeoff during the period	-	
Undrawn credit lines	-	-	Other movements	-	-
Other commitments (specify)	-	-	Closing balance as at 30/06/2023	5,487,267	5,063,057
Other contingencies (Bill Purchase)	87,886	200,334	Under Stage 3	2,.27,227	-,,
Sub total	392,324	380,380	Charge/(Write back) to income statement	1,142,755	(771,580)
By product – Foreign currency			Write-off during the period	1,112,733	(771,500)
Guarantees	_	_	Other movements	-	-
Bonds	_	_		-	(235)
Undrawn credit lines	_	_	Collective Impairment not recognized	7 744 540	(/
Other commitments (specify)	-	-	Closing balance as at 30/06/2023	7,741,510	6,598,521
Other contingencies (specify)	-	-	Total impairment under SLFRS 9	16,602,653	15,791,812

ANALYSIS OF DEPOSITS AS AT 30TH JUNE 2023

	Bai	nk		
Rupees Thousands	Current Period 30/06/2023 (Unaudited)	Previous Year 31/12/2022 (Audited)		
By product – Domestic currency Demand deposits (current accounts)	-	-		В
Savings deposits Fixed deposits Others (Specify) Sub total	66,162,094 151,714,825 - 217,876,920	65,852,447 144,448,876 - 210,301,323		S
3uo totai	217,870,920	210,301,323	1 🔳 r	Ė

Bank			
Current Period 30/06/2023 (Unaudited)	Previous Year 31/12/2022 (Audited)		
-	-		
	-		
-	-		
-	-		
-	-		
217,876,920	210,301,323		
	Current Period 30/06/2023 (Unaudited)		

SELECTED PERFORMANCE INDICATORS AS AT 30TH JUNE 2023 (Based on Regulatory Reporting)

Item	Current Period 30/06/2023 (Unaudited)	Previous Year 31/12/2022 (Audited)
Regulatory Capital Adequacy (LKR in Thousands)		
Common Equity Tier 1	11,545,236	11,932,386
Core (Tier 1) Capital	11,545,236	11,932,386
Total Capital Base	22,066,388	21,908,993
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital (%) (Minimum Requirement - 7%)	8.54%	8.29%
Tier 1 Capital Ratio (%) (Minimum Requirement - 8.5%)	8.54%	8.29%
Total Capital Ratio (%) (Minimum Requirement - 12.5%)	16.32%	15.22%
Leverage Ratio (Minimum Requirement - 3%)	3.92%	4.71%
Regulatory Liquidity		
Statutory Liquid Assets (LKR in Thousands)	65,639,030	55,790,668
Statutory Liquid Assets Ratio (%) (Minimum Requirement - 20%)	31.60%	27.83%
Domestic Banking Unit (%)	-	-
Off-Shore Banking Unit (%)		
Total Stock of High-Quality Liquid Assets (LKR in Thousands)	9,763,333	10,333,885
Liquidity Coverage Ratio (%) (Minimum Requirement - 100%)	140.0704	4.7.000
Rupee (%)	169.97%	167.00%
All Currency (%)	4 40 000	-
Net Stable Funding Ratio (%) - (Minimum Requirement - 100%)	148.00%	101.00%
Assets Quality (Quality of Loan Portfolio)	2.254	, 500,
Impaired Loans (Stage 3) Ratio (%) (Net of Stage 3 impairement)	8.25%	6.53%
Impairement (Stage 3) to Stage 3 Loans Ratio (%)	30.22%	31.95%
Profitability	F 45%	F 000
Interest Margin (%)	5.15%	5.89%
Return on Assets (before Tax) (%)	-0.10%	0.14%
Return on Equity (%)	-6.57%	8.54%

CERTIFICATION:

(959,724)

37,177,845

(910,251) 55,237,663

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 Date: 29.08.2023

P.S. Edirisuriya (Sgd.) Chief Executive Officer (Acting) Date: 29.08.2023