

PRADESHIYA SANWARDANA BANK

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH SEPTEMBER 2023

INCOME STATEMENT FOR THE PERIOD ENDED 30TH SEPTEMBER 2023

STATEMENT OF FINANCIAL POSITION AS AT 30TH SEPTEMBER 2023

	Ba	nk
Rupees Thousands	Current Period 30/09/2023 (Unaudited)	Previous Period 30/09/2022 (Unaudite
Interest income	35,052,152	23,470,404
Interest expenses	(23,037,618)	(12,328,068)
Net interest income	12,014,533	11,142,336
Fee and commission income	971,996	674,540
Fee and commission expenses	(423,873)	(409,354)
Net fee and commission income	548,123	265,185
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 amortised cost	-	-
at fair value through other comprehensive income	-	-
Net other operating income	6,571	16,631
Total operating income	12,569,227	11,424,152
Impairment charges	(1,875,974)	(1,484,614)
Net operating income	10,693,254	9,939,538
Personnel expenses	(6,482,111)	(6,257,233)
Depreciation and amortization expenses	(438,296)	(394,746)
Other expenses	(1,627,325)	(1,155,046)
Services	2,145,521	2,132,514
VAT on financial services	(1,288,502)	(1,248,031)
Social Security Contribution Levy	(175,246)	-
Operating profit/(loss) after VAT & SSCL on financial services	681,774	884,483
Share of profits of associates and joint ventures	-	-
Profit/(loss) before tax	681,774	884,483
Income tax expenses	(164,710)	(643,104)
Profit/(loss) for the period	517,064	241,379
Profit attributable to:		
Equity holders of the parent	517,064	241,379
Non-controlling interests	-	-
Earnings per share on profit		
Basic earnings per ordinary share	0.92	0.44
Diluted earnings per ordinary share	-	-

	Ba	nk
Rupees Thousands	Current Period 30/09/2023 (Unaudited)	Previous Period 30/09/2022 (Unaudited)
Profit/(loss) for the Period	517,064	241,379
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 retirements benefit obligation	-	-
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	517,064	241,379
Attributable to:		
Equity holders of the parent	517,064	241,379
Non-controlling interest	· ·	

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

a. Bank - Current Period (Unaudited)

Rupees Thousands	AC	FVPL	FVOCI	TOTAL
ASSETS				
Cash and cash equivalents	1,499,850	-	-	1,499,850
Balances with Central Bank	-	-	-	-
Placements with banks	55,165,692	-	-	55,165,692
Equity Instruments at fair value through profit or loss	-	138	-	138
Loans and advances	196,010,203	-	-	196,010,203
Debt instruments	31,652,725	-	-	31,652,725
Equity instruments	-	-	2,290	2,290
Other Assets	5,852,633	-	-	5,852,633
Total Financial Assets	290,181,104	138	2,290	290,183,531
Rupees Thousands			Amortized Cost	TOTAL
LIABILITIES				
Due to banks			49,059,723	49,059,723
Derivative financial instruments			-	-
Financial liabilities			-	-
- due to depositors			221,181,438	221,181,438
- due to debt securities holders			-	-
- due to other borrowers			-	-
Debt securities issued			-	- 4 710 177
Other Liability			4,718,177	4,718,177
Total Financial Liabilities			274,959,338	274,959,338
b. Bank - Previous Year (Audited)				
Rupees Thousands	AC	FVPL	FVOCI	TOTAL
ASSETS				
Cash and cash equivalents	2,889,884	-	-	2,889,884
Balances with Central Bank		-	-	•
Placements with banks	6,133,705	-	-	6,133,705
Equity Instruments at fair value through profit or loss	-	120	-	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 Total Financial Assets	5,713,170 277,824,540	- 120	2,290	5,713,170 277,826,951
	277,024,340	120		
Rupees Thousands			Amortized Cost	TOTAL
				47 470 707
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 depositors - due to debt securities holders			210,301,323	210,301,323
- due to deol securities holders - due to other borrowers			-	-
Debt securities issued				-
Other Liability			5,404,318	5,404,318

	Ba	nk
Rupees Thousands	Current Period 30/09/2023 (Unaudited)	Previous Year 31/12/2022 (Audited)
Assets Cash and cash equivalents	1,499,850	2,889,884
Balances with Central Bank		2,009,004
Placements with banks Derivative financial instruments	55,165,692	6,133,705
Financial assets recognized through profit or loss	-	-
- measured at fair value - designated at fair value	138	120
Financial assets at amortized cost	-	-
- loans and advances	196,010,203	198,008,145
- debt and other instruments Financial assets measured at fair value through other comprehensive income	31,652,725 2,290	65,079,636 2,290
Investment in subsidiaries	-	-
Investments in associates and joint ventures Property, plant and equipment	- 1,262,270	- 926,615
Right of use assets	787,158	718,097
Goodwill and intangible assets	150,859	68,868
Deferred tax assets Other assets	3,525,175 8,487,682	3,525,175 8,042,616
Total assets	298,544,043	285,395,150
Liabilities		
Due to banks	49,059,723	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 - due to depositors	221,181,438	210,301,323
- due to depositors - due to debt securities holders	221,101,430	- 210,301,323
- due to other borrowers Debt securities issued	-	-
Retirement benefit obligations	2,875,153	3,091,581
Current tax liabilities	-	1,011,924
Deferred tax liabilities Other liabilities	-	-
Due to subsidiaries	8,384,535	7,293,487
Total liabilities	281,500,850	269,169,023
Equity		
Stated capital/Assigned capital	8,521,865	8,221,865
Statutory reserve fund	845,248	845,248
OCI reserve Retained earnings	3,406,850	- 2,889,786
Other reserves	4,269,229	4,269,229
Total shareholders' equity	17,043,191	16,226,127
Non-controlling interests	-	-
Total equity	17,043,191	16,226,127
Total equity and liabilities	298,544,043	285,395,150
Contingent liabilities and commitments	405,928	380,380
Memorandum Information Number of Employees	2,380	0 5 2 1
Number of Branches	2,380 272	2,531 272
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENI	DED 30TH SEPT	EMBER 2023

Stated capital/Assigned Capital Reserves Non Controling Ordinary Non Voting Statuto Assigned Capital OCI Reserve Revaluation Reserve Other Reserve **Rupees** Thousands Ordinary Retained Total Total Equity Reserve oting Share Earnings interest Share Fund 845,248 Balance as at 01/01/2023 (Opening balance) 8,221,865 4,269,229 16,226,127 2,889,786 16,226,127 Total comprehensive income for the Period Profit/(loss) for the Period (net of tax) Other comprehensive income (net of tax) Total comprehensive income for the Period 517,064 517,064 517,064 517,064 517,064 517,064 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 30/09/2023	-		8,521,865	845,248		-	3,406,850	4,269,229	17,043,191	-	17,043,191

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

	Bai	Bank		Bank			Bar	nk
Rupees Thousands	Current Period 30/09/2023 (Unaudited)	Previous Year 31/12/2022 (Audited)		Rupees Thousands	Current Period 30/09/2023 (Unaudited)	Previous Year 31/12/2022 (Audited)		
Product-wise Gross loans & advances				Sub total	-	-		
By product – Domestic currency				Total	405,928	380,380		
Term Ioans	109,338,398	120,060,154		Stage-wise impairment on loans &				
Leasing	1,175,966	1,193,310		advances, commitments and				
Pawning	46,835,361	42,234,453		contingencies				
Refinance	39,151,734	35,894,658		Gross loans and advances,				
Liya Isura	32,719	33,967		commitments and contingencies	215,659,406	215,752,882		
Staff Loan	5,858,269	5,501,111		Less: Accumulated impairment under		,		
Loans against Deposits	12,742,977	10,333,537		stage 1	3,339,348	4,130,235		
SME	118,054	121,313		Accumulated impairment under stage 2	4,665,354	5,063,057		
Sub total	215,253,479	215,372,502		Accumulated impairment under stage 3	9,661,624	6,598,756		
By product – Foreign currency				Net value of loans and advances,	,,.	, ,		

			Accumulated impairment under stage 5	9,001,024	0,390,730
By product – Foreign currency Overdrafts Term loans	-	-	Net value of loans and advances, commitments and contingencies	197,993,080	199,960,833
Guarantees	-	-	Movement of impairment during the Period		
Bonds Other Ioans (specify) Sub total Total	215,253,479	- - 215,372,502	Under Stage 1 Charge/(Write back) to income statement Write-off during the period Other movements	(786,246) -	1,599,415 -
Product-wise commitments and			Closing balance at 30/09/2023	3,339,348	4,130,234
contingencies			Under Stage 2	0,007,010	1,100,201
By product – Domestic currency Guarantees	334,604	180,046	Charge/(Write back) to income statement	(397,703)	2,024,842
Bonds	-	-	Write-off during the period	-	-
Undrawn credit lines	-	-	Other movements	-	-
Other commitments (specify)	- 71 202	- 200,334	Closing balance as at 30/09/2023	4,665,354	5,063,057
Other contingencies (Bill Purchase) Sub total	71,323 405,928	380,380	Under Stage 3		
	403,720	500,500	Charge/(Write back) to income statement	3,062,869	(771,580)
By product – Foreign currency			Write-off during the Period	-	-
Guarantees	-	-	Other movements	-	-
Bonds Undrawn credit lines	-	-	Collective Impairment not recognized	-	(235)
Other commitments (specify)	-		Closing balance at 30/09/2023	9,661,624	6,598,521
Other contingencies (specify)	_	_	Total impairment under SLFRS 9	17,666,326	15,791,812

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	Bank		Bank		Bank	
Rupees Thousands	Current Period 30/09/2023 (Unaudited)	Previous Year 31/12/2022 (Audited)	l	Rupees Thousands	Current Period 30/09/2023 (Unaudited)	Previous Year 31/12/2022 (Audited)
By product – Domestic currency			н.	By product – Foreign currency		
Demand deposits (current	-	-	н.	Demand deposits (current accounts)	-	-
accounts)			н.	Savings deposits	-	-
Savings deposits	68,480,702	65,852,447	н.	Fixed deposits	-	-
Fixed deposits	152,700,735	144,448,876	н.	Others (Specify)	-	-
Others (Specify)	-	-	н.	Sub total	-	-
Sub total	221,181,438	210,301,323		Total	221,181,438	210,301,323

ANALYSIS OF DEPOSITS AS AT 30TH SEPTEMBER 2023

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

Item	30/09/2023 (Unaudited)	31/12/2022 (Audited)
Regulatory Capital Adequacy (LKR in Thousands)		
Common Equity Tier 1	12,150,456	11,932,386
Core (Tier 1) Capital	12,150,456	11,932,386
Total Capital Base	22,437,925	21,908,993
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital (%) (Minimum Requirement - 7%)	8.72%	8.29%
Tier 1 Capital Ratio (%) (Minimum Requirement - 8.5%)	8.72%	8.29%
Total Capital Ratio (%) (Minimum Requirement - 12.5%)	16.10%	15.22%
Leverage Ratio (Minimum Requirement - 3%)	4.01%	4.71%
Regulatory Liquidity		
Statutory Liquid Assets (LKR in Thousands)	76,901,555	55,790,668
Statutory Liquid Assets Ratio (%) (Minimum Requirement - 20%)		
Domestic Banking Unit (%)	36.24%	27.83%
Off-Shore Banking Unit (%)	-	-
Total Stock of High-Quality Liquid Assets (LKR in Thousands)	32,034,984	10,333,885
Liquidity Coverage Ratio (%) (Minimum Requirement - 100%)		
Rupee (%)	438.00%	167.00%
All Currency (%)	-	-
Net Stable Funding Ratio (%) - (Minimum Requirement - 100%)	101.00%	101.00%
Assets Quality (Quality of Loan Portfolio)		
Impaired loans (Stage 3) Ratio (%) (Net of Stage 3 impairment)	8.93%	6.53%
Impairment (Stage 3) to Stage 3 Loans Ratio (%)	33.45%	31.95%
Profitability		
Interest Margin (%)	5.49%	5.89%
Return on Assets (before Tax) (%)	0.31%	0.14%
Return on Equity (%)	4.14%	8.54%
Credit Rating-Pending		

CERTIFICATION:

We, the undersigned, being the Chief Financial Officer and Acting Chief Executive Officer of Pradeshiya Sanwardana 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 Fir

	P.S. Edirisuriya	P.S. Edirisuriya
┨	(Sgd.) Chief Financial Officer	(Sgd.) Act. Chief Executive Officer
	Date: 29/11/2023	Date: 29/11/2023

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH SEPTEMBER 2023

	Ba	nk
Rupees Thousands	Current Period 30/09/2023 (Unaudited)	Previous Period 30/09/2022 (Unaudited)
Cash flows from operating activities		
Profit before tax	681,774	2,132,514
Adjustment for:		
Non cash items included in profit before tax	3,118,699	2,994,184
Changes in operating assets	40,029,376	(12,592,924)
Changes in operating liabilities	10,649,302	18,421,017
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	(672,382)	(99,806)
Taxes on financial services	(1,288,502)	(1,222,285)
Tax Paid	(223,136)	(574,519)
Net cash generated from/(used in) operating activities	52,295,130	9,058,180
Cash flows from investing activities		
Purchase of Property, plant and equipment	(412,251)	-
Net purchase of intangible assets	(4,692)	-
Investment in Debenture		-
Investment in Fixed deposits (more than three months)	(19,277,188)	(34,812,569)
Proceeds from the sale of property, plant and equipment		497
Received Dividend Income	12	14
Net cash (used in) / from investing activities	(19,694,119)	(34,812,058)
Cash flows from financing activities		
Net proceeds from the issue of ordinary share capital		_
Payment of principal of operating lease	-	-
Net proceeds from the other borrowings	(1,070,533)	15,019,413
Redemption of Debentures	-	-
Interest paid & repayment of debentures	-	(76,177)
Net cash from financing activities	(1,070,533)	14,943,236
Net increase/(decrease) in cash & cash equivalents	31,530,479	(10,810,641)
Cash & cash equivalents at the beginning of the Period	30,165,020	43,570,749
Cash and cash equivalents at the end of the Period	61,695,501	32,760,107
Reconciliation of Cash & Cash Equivalents		
Cash and cash equivalents	1,499,850	6,974,400
Favorable balances with banks		
Placements with Banks	55,165,692	4,556,757
Fixed deposits less than three months	5,339,824	22,658,897
Unfavorable balances with banks	(309,866)	(1,429,946)
	61,695,501	32,760,107
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