

PRADESHIYA SANWARDANA BANK

Stable (LRA)

2,531 272

2,683

- 4,315,341 4,608,328 18,358,603

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023

Number of Employees

Balance as at 31/12/2023

INCOME STATEMENT FOR THE YEAR ENDED 31 ST DECEMBER 2023					
	Ва	nk			
Rupees Thousands	Current Year 31/12/2023 (Unaudited)	Previous Year 31/12/2022 (Audited)			
Interest income	46,231,709	35,273,434			
Interest expenses	(29,296,476)	(19,639,530)			
Net interest income Fee and commission income	16,935,233 1,572,085	15,633,904 806,548			
Fee and commission expenses	(409,406)	(355,185)			
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	1,162,679 (234,375)	451,363 102,297 - -			
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	17,021	20,471			
Total operating income Impairment charges	17,880,557 (2,146,931)	16,208,035 (2,852,677)			
Net operating income Personnel expenses Depreciation and amortization expenses Other expenses	15,733,625 (9,553,731) (592,269) (2,032,376)	13,355,358 (8,739,538) (532,734) (2,084,970)			
Services VAT on financial services Social Security Contribution Levy	3,555,247 (1,908,008) (259,503)	1,998,116 (1,561,475) (77,526)			
Operating profit/(loss) after VAT & SSCL on financial services Share of profits of associates and joint ventures	1,387,736	359,115			
Profit/(loss) before tax Income tax expenses Profit/(loss) for the Year	1,387,736 (31,337) 1,356,399	359,115 990,279 1,349,394			
Profit attributable to: Equity holders of the parent Non-controlling interests	1,356,399	1,349,394			
Earnings per share on profit Basic earnings per ordinary share Diluted earnings per ordinary share	2.42	2.45			

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 ST DECEMBER 2023					
	Ba	nk			
Rupees Thousands	Current Year 31/12/2023 (Unaudited)	Previous Year 31/12/2022 (Audited)			
Profit/(loss) for the Year	1,356,399	1,349,394			
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	680,109	156,249			
Changes in revaluation surplus	-	-			
Share of profits of associates and joint ventures	-	-			
Differed Tax impact on retirement benefit obligation	(204,032)	(46,875)			
Less: Tax expense relating to items that will not be reclassified to income statement	-	-			
Other Comprehensive Income (OCI) for the Year, net of taxes	476,077	109,375			
Total comprehensive income for the Year	1,832,475	1,458,769			
Attributable to:					

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

1,832,475

1,458,769

a. Bank - Current Year (Unaudited)

Fixed deposits less than three months

Unfavorable balances with banks

Equity holders of the parent Non-controlling interest

Diluted earnings per ordinary share

Rupees Thousands	AC	FVPL	FVOCI	TOTAL
ASSETS				
Cash and cash equivalents	104,444	-	-	104,444
Balances with Central Bank	_	-	-	-
Placements with banks	6,005,330	-	- 1	6,005,330
Equity Instruments at fair value through profit or loss	' ' -	145	-	145
Loans and advances	195,771,464	-	-	195,771,464
Debt instruments	86,964,709	-	-	86,964,709
Equity instruments	· · · -	-	2,290	2,290
Other Assets	4,683,809	_	· -	4,683,809
Total Financial Assets	293,529,756	145	2,290	293,532,191
Rupees Thousands			Amortized Cost	TOTAL
IABILITIES				
Due to banks			46,216,168	46,216,16
Derivative financial instruments				
Financial liabilities			_	-
- due to depositors			226,079,615	226,079,61
- due to debt securities holders			-	-
- due to other borrowers			-	-
Debt securities issued			-	-
Other Liability			2,810,275	2,810,27
Total Financial Liabilities			275,106,057	275,106,05
b. Bank - Previous Year (Audited)			27071007007	27071007007
Rupees Thousands	AC	FVPL	FVOCI	TOTAL
ASSETS	, Ac		1100	101712
Cash and cash equivalents	2,889,884			2,889,884
Balances with Central Bank	2,009,004	-	-	2,007,004
	6 122 705	-	-	6 122 705
Placements with banks	6,133,705	- - 100	-	
Placements with banks Equity Instruments at fair value through profit or loss		- - 120	- - -	120
Placements with banks Equity Instruments at fair value through profit or loss Loans and advances	198,008,145	- 120 -	- - -	120 198,008,145
Placements with banks Equity Instruments at fair value through profit or loss Loans and advances Debt instruments		120		6,133,705 120 198,008,145 65,079,636
Placements with banks Equity Instruments at fair value through profit or loss .oans and advances Debt instruments Equity instruments	198,008,145 65,079,636	120 - - -	2,290	120 198,008,145 65,079,636 2,290
Placements with banks Equity Instruments at fair value through profit or loss Loans and advances Debt instruments Equity Instruments Other Assets	198,008,145	120 - - - - 120	2,290	120 198,008,145 65,079,636
Placements with banks Equity Instruments at fair value through profit or loss Loans and advances Debt instruments Equity instruments Other Assets Total Financial Assets	198,008,145 65,079,636 - 5,713,170	- - - -		120 198,008,145 65,079,636 2,290 5,713,170
	198,008,145 65,079,636 - 5,713,170	- - - -	2,290	120 198,008,145 65,079,636 2,290 5,713,170 277,826,951
Placements with banks Equity Instruments at fair value through profit or loss Loans and advances Debt instruments Equity instruments Other Assets Total Financial Assets Rupees Thousands	198,008,145 65,079,636 - 5,713,170	- - -	2,290	120 198,008,145 65,079,636 2,290 5,713,170 277,826,951
Placements with banks Equity Instruments at fair value through profit or loss Loans and advances Debt instruments Equity instruments Other Assets Total Financial Assets Rupees Thousands LIABILITIES Due to banks	198,008,145 65,079,636 - 5,713,170	- - -	2,290 Amortized Cost	120 198,008,145 65,079,636 2,290 5,713,170 277,826,951
Placements with banks Equity Instruments at fair value through profit or loss Loans and advances Debt instruments Equity instruments Other Assets Total Financial Assets Rupees Thousands LIABILITIES Due to banks Derivative financial instruments	198,008,145 65,079,636 - 5,713,170	- - -	2,290 Amortized Cost	120 198,008,145 65,079,636 2,290 5,713,170 277,826,951
Placements with banks Equity Instruments at fair value through profit or loss Loans and advances Debt instruments Equity instruments Other Assets Total Financial Assets Rupees Thousands LIABILITIES Due to banks Derivative financial instruments	198,008,145 65,079,636 - 5,713,170	- - -	2,290 Amortized Cost	120 198,008,145 65,079,636 2,290 5,713,170 277,826,951
Placements with banks Equity Instruments at fair value through profit or loss Loans and advances Debt instruments Equity instruments Other Assets Fotal Financial Assets Rupees Thousands LIABILITIES Due to banks Derivative financial instruments Financial liabilities	198,008,145 65,079,636 - 5,713,170	- - -	2,290 Amortized Cost 47,470,707	198,008,145 65,079,636 2,290 5,713,170 277,826,951 TOTAL 47,470,707
Placements with banks Equity Instruments at fair value through profit or loss .oans and advances Debt instruments Equity instruments Other Assets Total Financial Assets Rupees Thousands LIABILITIES Due to banks Derivative financial instruments - due to depositors	198,008,145 65,079,636 - 5,713,170	- - -	2,290 Amortized Cost 47,470,707	198,008,145 65,079,636 2,290 5,713,170 277,826,951 TOTAL 47,470,707
Placements with banks Equity Instruments at fair value through profit or loss Loans and advances Debt instruments Equity instruments Other Assets Total Financial Assets Rupees Thousands LIABILITIES Due to banks Derivative financial instruments Financial liabilities - due to depositors - due to other borrowers	198,008,145 65,079,636 - 5,713,170	- - -	2,290 Amortized Cost 47,470,707	198,008,145 65,079,636 2,290 5,713,170 277,826,951 TOTAL 47,470,707
Placements with banks Equity Instruments at fair value through profit or loss Loans and advances Debt instruments Equity instruments Other Assets Total Financial Assets Rupees Thousands LIABILITIES Due to banks Derivative financial instruments inancial liabilities - due to depositors - due to debt securities holders	198,008,145 65,079,636 - 5,713,170	- - -	2,290 Amortized Cost 47,470,707	198,008,145 65,079,636 2,290 5,713,170 277,826,951 TOTAL 47,470,707

	Ba	nk
Rupees Thousands	Current Year 31/12/2023 (Unaudited)	Previous Year 31/12/2022 (Audited)
Cash flow from operating activities		
Profit before tax	1,387,736	359,115
Adjustment for:		
Non cash items included in profit before tax	3,735,285	3,977,964
Changes in operating assets	6,457,233	(35,321,114)
Changes in operating liabilities	18,386,085	23,772,933
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	(592,542)	(66,254)
Taxes on financial services	-	-
Tax Paid	(3,161,746)	(1,609,672)
Net cash generated from/(used in) operating activities	26,212,052	(8,887,028)
Cash flows from investing activities		
Purchase of Property, plant and equipment	(462,912)	(207,876)
Net purchase of intangible assets	(106,975)	(1,987)
Investment in Debenture	(100,773)	(1,701)
Investment in Fixed deposits (more than three months)	6,583,774	(17,403,319)
Proceeds from the sale of property, plant and equipment	1,221	(780)
Received Dividend Income	3,858	4,385
Net cash (used in) / from investing activities	6,018,966	(17,609,577)
Cash flows from financing activities	,,,,,,,,	(***,****,****,
Net proceeds from the issue of ordinary share capital		
Net proceeds from the issue of ordinary share capital Payment of principal of operating lease	(361,733)	(327,195)
Net proceeds from the other borrowings	(1,254,539)	15,494,249
Redemption of Debentures	(1,231,337)	(2,000,000)
Interest paid & repayment of debentures	_	(76,177)
Net cash from financing activities	(1,616,272)	13,090,877
Net increase/(decrease) in cash & cash equivalents	30,614,748	(13,405,728)
Cash & cash equivalents at the beginning of the Year	30,165,020	43,570,749
Cash and cash equivalents at the end of the Year	60,779,768	30,165,020
Reconciliation of Cash & Cash Equivalents	, , ,	, , , ,
Cash and cash equivalent	104,444	2,889,884
Favorable balances with banks	101,444	2,007,004
Placements with Banks	61.128.549	6.133.705

Rupees Thousands Assets Cash and cash equivalents	Current Year 31/12/2023	nk Previous Vea	
Cash and cash equivalents	(Unaudited)	Previous Yea 31/12/2022 (Audited)	
	104.444	0.000.00	
Balances with Central Bank	104,444	2,889,884	
Placements with banks	6,005,330	6,133,705	
Derivative financial instruments	, , , ₋	, ,	
Financial assets recognized through profit or loss - measured at fair value - designated at fair value	145	120	
Financial assets at amortized cost	_ '		
- loans and advances	195,771,464	198,008,145	
- debt and other instruments Financial assets measured at fair value through other comprehensive income Investment in subsidiaries	86,964,709 2,290	65,079,630 2,290	
Investments in associates and joint ventures	4 4 4 0 70 4		
Property, plant and equipment Right of use assets	1,162,704 112,445	926,61 718,09	
Goodwill and intangible assets	860,432	68,86	
Deferred tax assets	3,091,874	3,525,17	
Other assets	6,899,581	8,042,61	
Total assets	300,975,422	285,395,150	
Liabilities	4/ 01/ 1/0	47 470 70	
Due to banks Derivative financial instruments	46,216,168	47,470,70	
Financial liabilities recognized through profit or loss	_		
- measured at fair value	-		
- designated at fair value	- 1		
Financial liabilities at amortized cost - due to depositors	226,079,615	210,301,32	
- due to depositors - due to debt securities holders	220,079,013	210,501,52	
- due to other borrowers	_		
Debt securities issued	-		
Retirement benefit obligations	2,829,578	3,091,58	
Current tax liabilities Deferred tax liabilities	(426,311)	1,011,92	
Deferred tax flagifities Other liabilities	7,917,771	7,293,48	
Due to subsidiaries	7,717,771	7,275,40	
Total liabilities	282,616,820	269,169,02	
Equity		,,,,,,,	
Stated capital/Assigned capital	8,521,865	8,221,86	
Statutory reserve fund	913,068	845,24	
OCI reserve	, - ·	· ·	
Retained earnings	4,315,341	2,889,78	
Other reserves	4,608,329	4,269,229	
Total shareholders' equity	18,358,603	16,226,12	
Non-controlling interests	-	44.004.10	
Total equity	18,358,603	16,226,12	
Total equity and liabilities	300,975,422	285,395,15	
	616,056	380,380	
Contingent liabilities and commitments Memorandum Information		 	

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2023 OCI

	Voting Share	Share	Capital	Fund	Reserve	Reserve	Earnings	Reserve		interest	
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 Year											
Profit/(loss) for the Year (net of tax)	-	-	-	-	-	-	1,356,399	-	1,356,399	-	1,356,399
Other comprehensive income (net of tax)		-	-	-	-	-	476,077	-	476,077	-	476,077
Total comprehensive income for the Year	-	-	-	-	-	-	1,832,476	-	1,832,476	-	1,832,476
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 Year	-	-	-	67,820	-	-	(406,919)	339,099	-	-	-
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)			200.000	/7.000			(404.040)	220,000	200.000		200.000
Total transactions with equity holders			300,000	67,820	- 1	-	(406,919)	339,099	300,000		300,000

ANALYSIS OF LOANS & ADVANCES. COMMITMENTS. CONTINGENCIES AND IMPAIRMENT AS AT 31ST DECEMBER 2023

- 8,521,865 913,068

	Bar	nk		Bar	nk
Rupees Thousands	Current Year 31/12/2023 (Unaudited)	Previous Year 31/12/2022 (Audited)	Rupees Thousands	Current Year 31/12/2023 (Unaudited)	Previous Year 31/12/2022 (Audited)
Productwise Gross loans & advances			Stagewise impairment on loans &		
By product – Domestic currency	400 7/4 5/4	400 0/0 454	advances, commitments and		
Term loans	109,761,564 844,832	120,060,154 1,193,310	contingencies		
Leasing Pawning	45,600,279	42,234,453	Gross loans and advances,		
Refinance	39,022,197	35,894,658	commitments and contingencies	215,912,324	215,752,882
Liya Isura	30,638	33,967	Less: Accumulated impairment under		
Staff Loan	5,864,349	5,501,111	stage 1	2,617,599	4,130,235
Loans against Deposits	14,054,297	10,333,537	Accumulated impairment under stage 2	5,238,949	5,063,057
SME	118,110	121,313	Accumulated impairment under stage 3		
Sub total	215,296,267	215,372,502	,	10,043,412	6,598,756
By product – Foreign currency Overdrafts	-	-	Net value of loans and advances, commitments and contingencies	198,012,363	199,960,833
Term loans	-	-	Movement of impairment during the Period		
Guarantees Bonds	-	-			
Other loans (specify)	_		Under Stage 1	(1 510 424)	1 500 415
Sub total	_	_	Charge/(Write back) to income statement	(1,510,434)	1,599,415
Total	215,296,267	215,372,502	Write-off during the year	-	-
Productwise commitments and contingencies			Other movements	-	-
By product – Domestic currency			Closing balance at 31/12/2023	2,617,599	4,130,234
Guarantees	366,099	180,046	Under Stage 2		
Bonds			Charge/(Write back) to income statement	175,892	2,024,842
Undrawn credit lines	-	-	Write-off during the year	- 170,072	2,02.,0.2
Other commitments (specify)	-		Other movements	_	_
Other contingencies (Bill Purchase) Sub total	249,958 616,057	200,334 380,380	Closing balance at 31/12/2023	5,238,949	5,063,057
	010,037	360,360	Under Stage 3	3/230/717	3,003,037
By product – Foreign currency Guarantees			Charge/(Write back) to income statement	3,444,657	(771,580)
Ronds	_	-	Write-off during the year	5,777,057	(771,300)
Undrawn credit lines	_		Other movements		
Other commitments (specify)	_	-	Collective Impairment not recognized	_	(235)
Other contingencies (specify)	-	- [Closing balance at 31/12/2023	10,043,412	6,598,521
Sub total	-	-	Total impairment under SLFRS 9	17,899,961	15,791,812
Total	616,057	380,380	- Total impairment under 3LFN3 9	17,077,701	13,171,012

ANALYSIS OF DEPOSITS AS AT 31ST DECEMBER 2023

	Bank		
Rupees Thousands	Current Year 31/12/2023 (Unaudited)	Previous Year 31/12/2022 (Audited)	
By product – Domestic currency			
Demand deposits (current	-	-	
accounts)			
Savings deposits	70,065,142	65,852,447	
Fixed deposits	156,014,472	144,448,876	
Others (Specify)		, , , ₋	
Sub total	226,079,614	210,301,323	

	Bank			
Rupees Thousands	Current Year 31/12/2023 (Unaudited)	Previous Year 31/12/2022 (Audited)		
By product – Foreign currency				
Demand deposits (current accounts)	-	-		
Savings deposits	-	-		
Fixed deposits	-	-		
Others (Specify)	-	-		
Sub total	-	-		
Total	226,079,614	210,301,323		

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

ltem	31/12/2023 (Unaudited)	31/12/2022 (Audited)
Regulatory Capital Adequacy (LKR in Thousands)	` ` `	, ,
Common Equity Tier 1	12,188,920	11,932,386
Core (Tier 1) Capital	12,188,920	11,932,386
Total Capital Base	22,150,041	21,908,993
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital (%) (Minimum Requirement - 7%)	9.05%	8.29%
Tier 1 Capital Ratio (%) (Minimum Requirement - 8.5%)	9.05%	8.29%
Total Capital Ratio (%) (Minimum Requirement - 12.5%)	16.45%	15.22%
Leverage Ratio (Minimum Requirement - 3%)	3.95%	4.71%
Regulatory Liquidity		
Statutory Liquid Assets (LKR in Thousands)	82,688,114	55,790,668
Statutory Liquid Assets Ratio (%) (Minimum Requirement - 20%)		
Domestic Banking Unit (%)	38.73%	27.83%
Off-Shore Banking Unit (%)	-	-
Total Stock of High-Quality Liquid Assets (LKR in Thousands)	58,111,258	10,333,885
Liquidity Coverage Ratio (%) (Minimum Requirement - 100%)		
Rupee (%)	976.00%	167.00%
All Currency (%)	-	-
Net Stable Funding Ratio (%) - (Minimum Requirement - 100%)	174.00%	101.00%
Assets Quality (Quality of Loan Portfolio)		
Impaired loans (Stage 3) Ratio (%) (Net of Stage 3 impairment)	9.62%	6.53%
Impairment (Stage 3) to Stage 3 Loans Ratio (%)	32.63%	31.95%
Profitability		
Interest Margin (%)	5.78%	5.89%
Return on Assets (before Tax) (%)	0.47%	0.14%
Return on Equity (%)	7.84%	8.54%

CERTIFICATION:

Date: 28/02/2024

1,203,602 (1,656,826)

60,779,768

21,726,025

30,165,020

(584,594)

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 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