



PRADESHIYA SANWARDHANA BANK

(SL) A Stable
ICRA Lanka

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31.03.2017

INCOME STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2017

In Rupees Thousand	Current Period From 01/01/2017 To 31/03/2017	Previous Period From 01/01/2016 To 31/03/2016
Interest Income	4,320,291 (2,409,476)	3,044,649 (1,475,021)
Net Interest Income	1,910,815	1,569,628
Fee and Commission Income	206,874 (37,444)	122,109 (30,408)
Net Fee and Commission Income	169,430	91,701
Net Gain / (Loss) from trading	-	-
Net Gain/(Loss) from financial instruments at fair value through profit or loss	-	0
Net Gain/(Loss) from Financial Investments	-	-
Other Operating Income (net)	28,393	18,050
Total Operating Income	2,108,638	1,679,379
Impairment for Loans & Other Losses	-	1,513 (31,798)
Net Operating Income	2,031,747	1,649,094
Personal Expenses	1,133,061	1,011,581
Depreciation and Amortisation	50,662	58,272
Other Expenses	347,002	276,827
Operating Profit / (Loss) before Value Added Tax (VAT)	501,023	302,414
Nation Building Tax	(23,839)	(19,717)
Value Added Tax (VAT) on financial services	(178,792)	(108,445)
Profit / (Loss) before tax	298,392	174,252
Tax Expenses	(143,475)	(88,854)
Profit / (Loss) for the Period	154,917	85,398
Profit attributable to :		
Shareholders	154,917	85,398
Earning per share		
Basic earning per ordinary share	1.13	0.62

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31ST MARCH 2017

In Rupees Thousand	Current Period From 01/01/2017 To 31/03/2017	Previous Period From 01/01/2016 To 31/03/2016
Profit for the Period	154,917	85,398
Other Comprehensive Income/(expenses)		
Actuarial Gain/(Loss) on Define Benefit Plan	-	-
Deferred tax effect on above	-	-
Total Other Comprehensive Income for the Period, Net of Taxes	-	-
Total Comprehensive Income for the Period	154,917	85,398

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2017

In Rupees Thousand	Current Period As at 31/03/2017 (Unaudited)	Previous Year As at 31/12/2016 (Audited)
Assets		
Cash and cash equivalents	498,693	428,698
Sri Lankan Government Securities	-	-
Balance with banks	18,643,762	18,979,572
Placements with Banks	4,406,168	1,682,030
Financial assets held for trading	197	204
Financial assets designated at fair value through profit or loss	-	-
Loans and receivables given to other customers	109,341,438	105,653,631
Financial Investments - Available-for-Sale	-	-
Investments in Subsidiaries	503,534	516,742
Investments in associate and Joint Ventures	-	-
Property, Plant and Equipment	1,220,004	1,186,398
Investment Properties	-	-
Goodwill and intangible assets	59,086	58,026
Deferred Tax Assets	217,650	217,650
Other assets	3,690,225	2,191,034
Total assets	138,553,757	130,913,984
Liabilities		
Due to banks	13,565,772	11,765,493
Derivatives Financial Instruments	-	-
Other Financial liabilities held for trading	-	-
Financial liabilities designated at fair value through profit or loss	-	-
Due to other customers	107,422,072	107,031,721
Debt issued and other borrowed funds	-	-
Debt securities issued	4,406,114	2,708,377
Current tax liabilities	-	-
Deferred Tax liabilities	-	-
Other Provisions	-	-
Other liabilities	5,737,711	2,130,544
Retirement obligation	1,268,227	1,278,903
Total Liabilities	132,399,895	124,915,039
Equity		
State Capital / Assigned Capital	1,370,937	1,370,937
Statutory Reserve Fund	599,456	599,456
Retained Earnings	1,143,201	988,284
Other Reserves	3,040,268	3,040,268
Total Shareholders' Equity	6,153,862	5,998,946
Non-controlling interests	-	-
Total Equity	6,153,862	5,998,946
Total Equity and Liabilities	138,553,757	130,913,984
Contingent Liabilities and Commitments	255,454	453,556
Memorandum Information		
Number of permanent Employees	2,332	2,350
Number of Branches	265	265

1) Loans and Receivables to other Customers

In Rupees Thousand	Current Period As at 31/03/2017	Previous Year As at 31/12/2016 (Audited)
Gross loans and receivables	111,840,457	108,102,760
(less): Zero rate loan fair value adjustment	(108,863)	(159,863)
Staff loan fair value adjustment	(760,807)	(760,807)
Individual impairment charges	(24,184)	(24,184)
Collective impairment charges	(1,581,165)	(1,504,275)
Net Loans and receivables including those designated at fair value through profit or loss (Less): Loans and Receivables designated at fair value through profit & Loss	109,314,438	105,653,631
Net loans and receivables	109,314,438	105,653,631

2) Loans and Receivables to other Customers - By product

In Rupees Thousand	Current Period As at 31/03/2017	Previous Year As at 31/12/2016 (Audited)
By Product - Domestic Currency		
Term Loans	98,770,056	95,737,973
Pawning	8,305,951	7,873,700
Other Loans (Staff Loans)	3,322,112	3,193,923
Interest Receivable on Loans & Advances	1,442,337	1,297,163
Total	111,840,457	108,102,760

3) Movements in individual and collective impairment during the period for Loans and Receivables to other customers

In Rupees Thousand	Current Period As at 31/03/2017	Previous Year As at 31/12/2016 (Audited)
Individual Impairment		
Opening Balance	24,184	91,035
Charge / (Write back) to income statement	-	(66,851)
Write-off during the Period	-	-
Other movements	-	-
Closing Balance	24,184	24,184
Collective Impairment		
Opening Balance	1,504,275	1,533,034
Charge/(write Back) to income Statement	76,890	37,741
Write-off during the Period	-	(56,125)
Other movements	-	(10,375)
Closing Balance	1,581,165	1,504,275
Total Impairment	1,605,349	1,528,459

4) Due to other customers - By Product

In Rupees Thousand	Current Period As at 31/03/2017	Previous Year As at 31/12/2016 (Audited)
By Product - Domestic Currency		
Dormant Deposits (Current Accounts)	-	-
Savings Deposits	34,364,494	32,669,438
Fixed Deposits	63,380,743	65,031,577
Other Deposits (Long Term Savings)	9,676,835	9,330,706
Total	107,422,072	107,031,721

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS AS AT 31ST MARCH 2017

a. Bank - Current Period

In Rupees Thousand	HFT	HTM	Loans & Receivables	AFS	Total
ASSETS					
Cash and cash equivalents	-	-	498,693	-	498,693
Balances with other banks	-	-	18,643,762	-	18,643,762
Placements with Banks	-	-	4,406,168	-	4,406,168
Derivative Financial Instruments	-	-	-	-	-
Financial assets held for trading	197	-	-	-	197
Financial assets held to maturity	-	503,534	-	-	503,534
Loans and receivables given to Banks	-	-	-	-	-
Loans and receivables given to other Customers	-	-	109,314,438	-	109,314,438
Financial Investments	-	-	-	-	-
Other assets	-	-	933,685	-	933,685
Total Financial Assets	197	503,534	133,796,746	-	134,300,476

In Rupees Thousand	HFT	HTM	Amortized Cost	AFS	Total
LIABILITIES					
Due to Banks	-	-	13,565,772	-	13,565,772
Derivative financial instruments	-	-	-	-	-
Other financial liabilities at fair value through profit or loss	-	-	-	-	-
Due to other customers	-	-	107,422,072	-	107,422,072
Debt securities issued	-	-	4,406,114	-	4,406,114
Other Liabilities	-	-	5,737,711	-	5,737,711
Total Financial liabilities	-	-	131,131,668	-	131,131,668

b. Bank - Previous Year as at 31.12.2016 (Audited)

In Rupees Thousand	HFT	HTM	Loans & Receivables	AFS	Total
ASSETS					
Cash and cash equivalents	-	-	428,698	-	428,698
Sri Lanka government securities	-	-	-	-	-
Balances with other banks	-	-	18,979,572	-	18,979,572
Placements with banks	-	-	1,682,030	-	1,682,030
Derivative Financial Instruments	-	-	-	-	-
Financial assets held for trading	204	-	-	-	204
Financial assets held to maturity	-	516,742	-	-	516,742
Loans and receivables to banks	-	-	-	-	-
Loans and receivables given to other customers	-	-	105,653,631	-	105,653,631
Other assets	-	-	1,100,619	-	1,100,619
Total Financial Assets	204	516,742	127,844,550	-	128,361,496

In Rupees Thousand	HFT	HTM	Amortized Cost	AFS	Total
LIABILITIES					
Due to banks	-	-	11,765,493	-	11,765,493
Derivative financial instruments	-	-	-	-	-
Other financial liabilities at fair value through profit or loss	-	-	-	-	-
Due to other customers	-	-	107,031,721	-	107,031,721
Debt securities issued	-	-	2,708,377	-	2,708,377
Other Liabilities	-	-	2,130,544	-	2,130,544
Total Financial liabilities	-	-	123,636,136	-	123,636,136

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31ST MARCH 2017

In Rupees Thousand	Bank	
	Current Period 31/03/2017	Previous Period 31/03/2016
Cash Flows from Operating Activities		
Profit before tax	501,023	302,414
Adjustment for:		
Non-Cash item included in Profits before tax	210,231	133,625
Change in Operating assets	(5,023,083)	(5,799,880)
Change in Operating Liabilities	5,797,796	5,641,570
Other reclassification	-	-
Contribution paid to defined benefit plans	(10,676)	(4,885)
Tax paid	(347,927)	(220,387)
Net cash generated from operating activities	1,127,364	52,458
Cash flows from investing activities		
Purchase of property, plant and equipment	(67,979)	(25,658)
Proceeds from the sale of property, plant and equipment	167	247
Net purchase of intangible assets	(1,062)	(1,973)
Net proceeds from sales of investment share market	-	-
Net cash (used in)/from investing activities	(68,874)	(27,384)
Cash flow from financing activities		
Net proceeds from the issue of ordinary share capital	-	-
Net proceeds from the issue of subordinate debt	1,850,000	-
Interest paid on Debentures	(56,114)	-
Dividend paid	-	-
Net cash from financing activities	1,793,886	-
Net increase / (decrease) in cash & cash equivalents	2,852,376	25,074
Cash and cash equivalents at the beginning of the period	19,056,079	15,946,421
Cash and cash equivalents at the end of the period	21,908,454	15,971,494
Reconciliation of Cash & Cash Equivalents		
Cash and cash equivalents	498,693	455,621
Favourable Balances with banks	23,049,930	16,759,989
Unfavourable Balances with banks	(1,640,169)	(1,244,116)
	21,908,454	15,971,494

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH 2017

Bank	Stated Capital / Assigned Capital		Reserves					Total	Non controlling Interest	Total equity
	Ordinary Voting Shares	Ordinary non voting Shares	Assigned Capital	Statutory Reserve Fund	Revaluation Reserve	Retained earnings	Other reserves			
In Rupees Thousand										
Balance as at 01/01/2017 (Opening balance)	-	-	1,370,937	599,456	-	988,284	3,040,268	5,998,946	-	5,998,946
Profit / (Loss) for the period	-	-	-	-	-	154,917	-	154,917	-	154,917
Other comprehensive income (net of Tax)	-	-	-	-	-	-	-	-	-	-
Issued Share Capital	-	-	-	-	-	-	-	-	-	-
Transferred to Statutory Reserve Fund	-	-	-	-	-	-	-	-	-	-
Transferred to Special Reserve Fund	-	-	-	-	-	-	-	-	-	-
Transferred to General Reserve Fund	-	-	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-	-	-	-	-
Total transaction with equity holders	-	-	-	-	-	-	-	-	-	-
Balance as at 31/03/2017 (Closing Balance)	-	-	1,370,937	599,456	-	1,143,201	3,040,268	6,153,862	-	6,153,862

SELECTED PERFORMANCE INDICATORS (AS PER REGULATORY REPORTING) AS AT 31ST MARCH 2017

Item	31/03/2017	31/12/2016 (Audited)
Regulatory Capital Adequacy		
Core Capital (Tier 1 Capital) Rs. '000	6,046,675	5,781,219
Total Capital Base Rs. '000	9,547,134	8,244,450
Core Capital Adequacy Ratio, as % of Risk Weighted Assets		