



# PRADESHIYA SANWARDANA BANK

"BBB+" Stable LRA

## AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2023

### INCOME STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2023

Rupees Thousands	Bank	
	Current Year 31/12/2023 (Audited)	Previous Year 31/12/2022 (Audited)
Interest income	46,232,791	35,273,434
Interest expenses	(29,289,826)	(19,639,530)
<b>Net interest income</b>	<b>16,942,965</b>	<b>15,633,904</b>
Fee and commission income	1,572,076	806,548
Fee and commission expenses	(409,407)	(355,185)
<b>Net fee and commission income</b>	<b>1,162,670</b>	<b>451,363</b>
Net gains/(losses) from trading	(234,954)	102,297
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	17,021	20,471
<b>Total operating income</b>	<b>17,887,702</b>	<b>16,208,035</b>
Impairment charges	(2,162,851)	(2,852,677)
<b>Net operating income</b>	<b>15,724,851</b>	<b>13,355,358</b>
Personnel expenses	(9,550,729)	(8,739,538)
Depreciation and amortization expenses	(592,567)	(532,734)
Other expenses	(2,073,289)	(2,084,970)
<b>Operating profit/(loss) before VAT &amp; SSCL on financial services</b>	<b>3,508,267</b>	<b>1,998,116</b>
Value Added Tax-VAT on financial services	(2,066,232)	(1,561,475)
Social Security Contribution Levy	(958,613)	(77,526)
<b>Operating profit/(loss) after VAT &amp; SSCL on financial services</b>	<b>1,183,421</b>	<b>359,115</b>
Share of profits of associates and joint ventures	-	-
<b>Profit/(loss) before tax</b>	<b>1,183,421</b>	<b>359,115</b>
Income tax expenses	(319,903)	990,279
<b>Profit/(loss) for the year</b>	<b>863,518</b>	<b>1,349,394</b>
<b>Profit attributable to:</b>		
Equity holders of the parent	863,518	1,349,394
Non-controlling interests	-	-
<b>Earnings per share on profit</b>		
Basic earnings per ordinary share	1.54	2.45
Diluted earnings per ordinary share	-	-

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2023

Rupees Thousands	Bank	
	Current Year 31/12/2023 (Audited)	Previous Year 31/12/2022 (Audited)
<b>Profit/(loss) for the Year</b>	<b>863,518</b>	<b>1,349,394</b>
<b>Items that will be reclassified to income statement</b>		
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	-	-
<b>Items that will not be reclassified to income statement</b>		
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 Obligations	(204,033)	(46,875)
Less: Tax expense relating to items that will not be reclassified to income statement	-	-
<b>Other Comprehensive Income (OCI) for the Year, net of taxes</b>	<b>476,076</b>	<b>109,375</b>
<b>Total comprehensive income for the year</b>	<b>1,339,594</b>	<b>1,458,769</b>
<b>Attributable to:</b>		
Equity holders of the parent	1,339,594	1,458,769
Non-controlling interest	-	-

### ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS AS AT 31<sup>ST</sup> DECEMBER 2023

#### a. Bank - Current Year (Audited)

Rupees Thousands	AC	FVPL	FVOCI	TOTAL
<b>ASSETS</b>				
Cash and cash equivalents	104,444	-	-	104,444
Balances with Central Bank	-	-	-	-
Placements with banks	6,005,330	-	-	6,005,330
Equity Instruments at fair value through profit or loss	-	146	-	146
Loans and advances	194,424,888	-	-	194,424,888
Debt instruments	86,964,715	-	-	86,964,715
Equity instruments	-	-	2,990	2,990
Other Assets	4,413,384	-	-	4,413,384
<b>Total Financial Assets</b>	<b>291,912,761</b>	<b>146</b>	<b>2,990</b>	<b>291,915,197</b>
<b>LIABILITIES</b>				
Due to banks	-	46,208,479	-	46,208,479
Derivative financial instruments	-	-	-	-
Financial liabilities	-	-	-	-
- due to depositors	-	226,079,615	-	226,079,615
- due to debt securities holders	-	-	-	-
- due to other borrowers	-	-	-	-
Debt securities issued	-	-	-	-
Other Liabilities	-	2,637,870	-	2,637,870
<b>Total Financial Liabilities</b>		<b>274,925,964</b>		<b>274,925,964</b>

#### b. Bank - Previous Year (Audited)

Rupees Thousands	AC	FVPL	FVOCI	TOTAL
<b>ASSETS</b>				
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	-	-	2,990	2,990
Other Assets	5,713,170	-	-	5,713,170
<b>Total Financial Assets</b>	<b>277,824,540</b>	<b>120</b>	<b>2,990</b>	<b>277,826,951</b>
<b>LIABILITIES</b>				
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
<b>Total Financial Liabilities</b>		<b>263,176,349</b>		<b>263,176,349</b>

### STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2023

Rupees Thousands	Bank	
	Current Year 31/12/2023 (Audited)	Previous Year 31/12/2022 (Audited)
<b>Cash flow from operating activities</b>		
Profit before tax	1,183,421	359,115
Adjustment for:		
Non cash items included in profit before tax	3,752,352	3,977,964
Changes in operating assets	7,493,278	(35,321,114)
Changes in operating liabilities	17,198,577	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	-	-
Other reclassifications	-	-
Contribution paid to defined benefit plans	(276,188)	(66,254)
Taxes on financial services	-	-
Tax Paid	(1,474,292)	(1,609,672)
<b>Net cash generated from/(used in) operating activities</b>	<b>27,877,147</b>	<b>(8,887,028)</b>
<b>Cash flow from investing activities</b>		
Purchase of Property, plant and equipment	(462,912)	(207,876)
Net purchase of intangible assets	(106,975)	(1,987)
Investment in Debenture	-	-
Investment in Fixed deposits (more than three months)	6,583,775	(17,403,319)
Proceeds from the sale of property, plant and equipment	1,222	(780)
Received Dividend Income	3,279	4,385
<b>Net cash (used in)/from investing activities</b>	<b>6,018,388</b>	<b>(17,609,577)</b>
<b>Cash flow from financing activities</b>		
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	(1,262,928)	15,494,249
Redemption of debentures	-	(2,000,000)
Interest paid & repayment of debentures	-	(76,177)
<b>Net cash from financing activities</b>	<b>(1,624,661)</b>	<b>13,090,877</b>
Net increase/(decrease) in cash & cash equivalents	32,271,575	(13,405,928)
Cash & cash equivalents at the beginning of the Year	30,165,021	43,570,749
<b>Cash and cash equivalent at the end of the Year</b>	<b>62,436,596</b>	<b>30,165,020</b>
<b>Reconciliation of Cash &amp; Cash Equivalents</b>		
Cash and cash equivalent	1,761,271	2,889,884
Favorable balances with banks	-	-
Placements with banks	61,128,549	6,133,705
Fixed deposits less than three months	1,203,602	21,726,025
Unfavorable balances with banks	(1,656,827)	(584,594)
	<b>62,436,596</b>	<b>30,165,020</b>

### STATEMENT OF FINANCIAL POSITION AS AT 31<sup>ST</sup> DECEMBER 2023

Rupees Thousands	Bank	
	Current Year 31/12/2023 (Audited)	Previous Year 31/12/2022 (Audited)
<b>Assets</b>		
Cash and cash equivalents	104,444	2,889,884
Balances with Central Bank	-	-
Placements with banks	6,005,330	6,133,705
Derivative financial instruments	-	-
Financial assets recognized through profit or loss	-	-
- measured at fair value	146	120
- designated at fair value	-	-
Financial assets at amortized cost	-	-
- loans and advances	194,424,888	198,008,145
- debt and other instruments	86,964,715	65,079,636
Financial assets measured at fair value through other comprehensive income	2,990	2,990
Investment in subsidiaries	-	-
Investments in associates and joint ventures	-	-
Property, plant and equipment	1,161,828	926,615
Right of use assets	860,244	718,097
Goodwill and intangible assets	112,402	68,868
Deferred tax assets	2,960,017	3,525,175
Current tax assets	503,590	-
Other assets	6,617,542	8,042,616
<b>Total assets</b>	<b>299,717,438</b>	<b>285,395,150</b>
<b>Liabilities</b>		
Due to banks	46,208,479	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	226,079,615	210,301,323
- due to debt securities holders	-	-
- due to other borrowers	-	-
Debt securities issued	-	-
Retirement benefit obligations	2,829,578	3,091,581
Current tax liabilities	-	1,011,924
Deferred tax liabilities	-	-
Other liabilities	6,734,044	7,293,487
Due to subsidiaries	-	-
<b>Total liabilities</b>	<b>281,851,716</b>	<b>269,169,023</b>
<b>Equity</b>		
Stated capital/Assigned capital	8,521,865	8,221,865
Statutory reserve fund	888,424	845,248
OCI reserve	-	-
Retained earnings	3,970,324	2,889,786
Other reserves	4,485,109	4,269,229
<b>Total shareholders' equity</b>	<b>17,865,722</b>	<b>16,226,127</b>
Non-controlling interests	-	-
<b>Total equity</b>	<b>17,865,722</b>	<b>16,226,127</b>
<b>Total equity and liabilities</b>	<b>299,717,438</b>	<b>285,395,150</b>
<b>Contingent liabilities and commitments</b>	612,028	380,380
<b>Memorandum Information</b>		
Number of Employees	2,683	2,531
Number of Branches	272	272

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2023

Rupees Thousands	Stated Capital/Assigned Capital		Reserves					Total	Non Controlling interest	Total Equity	
	Ordinary Voting Share	Ordinary Non Voting Share	Assigned Capital	Statutory Reserve Fund	OCI Reserve	Revaluation Reserve	Retained Earnings				Other Reserve
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	-	-	-	-	-	-	863,518	-	863,518	-	863,518
Profit/(loss) for the year (net of tax)	-	-	-	-	-	-	476,076	-	476,076	-	476,076
Other comprehensive income (net of tax)	-	-	-	-	-	-	1,339,594	-	1,339,594	-	1,339,594
<b>Total comprehensive income for the Year</b>											
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	-	-	-	43,176	-	-	(259,055)	215,879	-	-	-
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)	-	-	-	-	-	-	-	-	-	-	-
<b>Total transactions with equity holders</b>			<b>300,000</b>	<b>43,176</b>			<b>(259,055)</b>	<b>215,879</b>	<b>300,000</b>		<b>300,000</b>
Balance as at 31/12/2023	-	-	8,521,865	888,424	-	-	3,970,324	4,485,109	17,865,722	-	17,865,722

### ANALYSIS OF LOANS & ADVANCES, COMMITMENTS, CONTINGENCIES AND IMPAIRMENT AS AT 31<sup>ST</sup> DECEMBER 2023

Rupees Thousands	Bank		Rupees Thousands	Bank	
	Current Year 31/12/2023 (Audited)	Previous Year 31/12/2022 (Audited)		Current Year 31/12/2023 (Audited)	Previous Year 31/12/2022 (Audited)
<b>Product-wise Gross loans &amp; advances</b>					
<b>By product - Domestic currency</b>					
Term loans	109,298,534	120,060,154			
Leasing	896,814	1,193,310			
Pawning	45,600,279	42,234,453			