



PRADESHIYA SANWARDHANA BANK

"A" stable
ICRA LANKA

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30.06.2017

INCOME STATEMENT - FOR THE PERIOD ENDED 30TH JUNE 2017

In Rupees Thousand	Current Year From 01/01/2017 To 30/06/2017 (Unaudited)	Previous Year From 01/01/2016 To 30/06/2016 (Unaudited)
Interest Income	9,152,955	6,466,466
Interest Expenses	(5,111,056)	(3,144,744)
Net Interest Income	4,041,900	3,321,722
Fee and Commission Income	434,514	263,241
Fee and Commission Expenses	(76,191)	(56,357)
Net Fee and Commission Income	358,323	206,884
Net Gain / (Loss) from trading	-	-
Net Gain/(Loss) from financial instruments at fair value through profit or loss	7	(2)
Net Gain/(Loss) from Financial Investments	-	-
Other Operating Income (net)	49,131	74,596
Total Operating Income	4,449,361	3,603,200
Impairment for Loans & Other Losses	-	-
Individual Impairment	-	-
Collective Impairment	(285,961)	(63,341)
Net Operating Income	4,163,400	3,539,858
Personal Expenses	2,217,264	2,077,515
Depreciation and Amortisation	110,689	120,137
Other Expenses	662,770	600,163
Operating Profit / (Loss) before Value Added Tax (VAT)	1,172,677	742,043
Nation Building Tax	(53,999)	(43,017)
Value Added Tax (VAT) on financial services	(404,995)	(271,337)
Profit / (Loss) before tax	713,683	427,689
Tax Expenses	(347,701)	(264,824)
Profit / (Loss) for the period	365,982	162,865
Profit attributable to :		
Shareholders	365,982	162,865
Earning per Share		
Basic earning per ordinary share	2.67	1.19

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30TH JUNE 2017

In Rupees Thousand	Current Year From 01/01/2017 To 30/06/2017 (Unaudited)	Previous Year From 01/01/2016 To 30/06/2016 (Unaudited)
Profit for the Period	365,982	162,865
Other Comprehensive Income/(expenses)		
Items that will not be reclassified to profit & Loss	-	-
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	365,982	162,865

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2017

In Rupees Thousand	Current Period As at 30/06/2017 (Unaudited)	Previous Year As at 31/12/2016 (Audited)
Assets		
Cash and cash equivalents	564,755	428,698
Sri Lanka Government Securities	-	-
Balances with banks	23,353,192	18,979,572
Placements with banks	3,008,880	1,682,030
Financial assets held for trading	203	204
Financial assets designated at fair value through profit or loss	-	-
Loans and receivables given to other customers	114,153,126	105,653,631
Financial Investments - Available-for-Sale	-	-
Financial Investments - Held-to-Maturity	516,935	516,742
Investments in Subsidiaries	-	-
Investments in associate and Joint Ventures	-	-
Property, plant and equipment	1,249,084	1,186,398
Investment properties	-	-
Goodwill and intangible assets	59,181	58,026
Deferred Tax Assets	217,650	217,650
Other assets	4,642,562	2,191,034
Total assets	147,765,497	130,913,984
Liabilities		
Due to banks	10,006,592	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	121,929,692	107,031,721
Debt Issued and Other Borrowed Funds	-	-
Debt securities issued	4,623,102	2,708,377
Current tax liabilities	-	-
Deferred Tax liabilities	-	-
Other provision	-	-
Other liabilities	3,584,679	2,130,544
Retirement benefit obligation	1,256,575	1,278,903
Total Liabilities	141,400,570	124,915,039
Equity		
State Capital / Assigned Capital	1,370,937	1,370,937
Statutory Reserve Fund	599,456	599,456
Retained Earnings	1,354,266	988,284
Other Reserves	3,040,268	3,040,268
Total Shareholders' Equity	6,364,927	5,998,946
Non-controlling interests	-	-
Total Equity	6,364,927	5,998,946
Total Equity and Liabilities	147,765,497	130,913,984
Contingent Liabilities and Commitments	552,834	453,556
Memorandum Information		
Number of permanent Employees	2,321	2,350
Number of Branches	265	265

1) Loans and Receivables given to other Customers

In Rupees Thousand	Bank	
	Current Period As at 30/06/2017	Previous Year As at 31/12/2016 (Audited)
Gross loans and receivables	116,894,818	108,102,760
(less): Zero rate loan fair value adjustment	(159,863)	(159,863)
Staff loan fair value adjustment	(760,807)	(760,807)
Individual impairment charges	(24,184)	(24,184)
Collective impairment charges	(1,796,838)	(1,504,275)
Net Loans and receivables including those designated at fair value through profit or loss	114,153,126	105,653,631
(Less): Loans and Receivables designated at fair value through profit & Loss	-	-
Net loans and receivables	114,153,126	105,653,631

2) Loans and Receivables to other Customers - By product

In Rupees Thousand	Bank	
	Current Period As at 30/06/2017	Previous Year As at 31/12/2016 (Audited)
By Product - Domestic Currency		
Term Loans	103,076,444	95,737,973
Pawning	8,837,610	7,873,700
Other Loans (Staff Loans)	3,390,153	3,193,923
Interest Receivable on Loans & Advances	1,590,611	1,297,163
Total	116,894,818	108,102,760

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

In Rupees Thousand	Bank	
	Current Period As at 30/06/2017	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 year	-	-
Other movements	-	-
Closing Balance	24,184	24,184
Collective Impairment		
Opening Balance	1,504,275	1,533,034
Charge/(write Back) to income Statement	285,961	37,741
Write-off during the year	-	(56,125)
Other movements	6,602	(10,375)
Closing Balance	1,796,838	1,504,275
Total Impairment	1,821,022	1,528,459

4) Due to other customers - By Product

In Rupees Thousand	Bank	
	Current Period As at 30/06/2017	Previous Year As at 31/12/2016 (Audited)
By Product - Domestic Currency		
Savings Deposits	35,167,069	32,669,438
Fixed Deposits	76,577,104	65,031,577
Other Deposits (Long Term Savings)	10,185,519	9,330,706
Total	121,929,692	107,031,721

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS AS AT 30TH JUNE 2017

a. Bank - Current Period

In Rupees Thousand	HFT	HTM	Loans & Receivables	AFS	Total
ASSETS					
Cash and cash equivalents	-	-	564,755	-	564,755
Balances with other banks	-	-	23,353,192	-	23,353,192
Placements with banks	-	-	3,008,880	-	3,008,880
Derivative Financial Instruments	-	-	-	-	-
Financial assets held for trading	203	-	-	-	203
Financial assets held to maturity	-	516,935	-	-	516,935
Loans and receivables given to banks	-	-	-	-	-
Loans and receivables given to other customers	-	-	114,153,126	-	114,153,126
Financial Investments	-	-	-	-	-
Other assets	-	-	1,349,626	-	1,349,626
Total Financial Assets	203	516,935	142,429,509	-	142,946,647

In Rupees Thousand	HFT	HTM	Amortized Cost	AFS	Total
LIABILITIES					
Due to banks	-	-	10,006,592	-	10,006,592
Derivative financial instruments	-	-	-	-	-
Other financial liabilities at fair value through profit or loss	-	-	-	-	-
Due to other customers	-	-	121,929,692	-	121,929,692
Debt securities issued	-	-	4,623,102	-	4,623,102
Other Liabilities	-	-	3,584,679	-	3,584,679
Total Financial liabilities	-	-	140,143,995	-	140,143,995

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 30TH JUNE 2017

In Rupees Thousand	Bank	
	Current Period 30/06/2017	Previous Period 30/06/2016
Cash Flows from Operating Activities		
Profit before tax	1,172,677	742,043
Adjustment for:		
Non-Cash item included in Profits before tax	561,245	241,839
Change in Operating assets	(10,421,455)	(9,132,750)
Change in Operating Liabilities	14,593,135	7,974,193
Other reclassification	-	-
Contribution paid to defined benefit plans	(22,328)	(13,507)
Tax paid	(359,830)	(583,130)
Net cash generated from operating activities	(5,523,444)	(771,311)
Cash flows from investing activities		
Purchase of property, plant and equipment	(133,031)	(64,142)
Proceeds from the sale of property, plant and equipment	244	22,320
Net purchase of intangible assets	(1,062)	(4,223)
Net proceeds from sales of investment share market	-	-
Net cash (used in)/from investing activities	(133,849)	(46,045)
Cash flow from financing activities		
Net proceeds from the issue of ordinary share capital	-	-
Net proceeds from the issue of subordinate debt	2,000,000	-
Interest paid on debentures	(1,251)	-
Dividend paid	-	-
Net cash from financing activities	1,998,749	-
Net Increase / (decrease) in cash & cash equivalents	7,388,343	(817,356)
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	26,444,421	15,129,064
Reconciliation of Cash & Cash Equivalents		
Cash and cash equivalents	564,755	494,808
Favourable Balances with banks	26,362,002	16,395,758
Unfavourable Balances with banks	(482,336)	(1,761,502)
Total	26,444,421	15,129,064

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30TH JUNE 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 earning	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 year	-	-	-	-	-	365,982	-	365,982	-	365,982
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 30.06.2017 (closing balance)	-	-	1,370,937	599,456	-	1,354,266	3,040,268	6,364,927	-	