PRADESHIYA SANWARDHANA BANK

FINANCIAL STATEMENTS

for the period ended 30.09.2018

(Un-audited)

PRADESHIYA SANWARDHANA BANK

INCOME STATEMENT

FOR THE PERIOD ENDED 30th SEPTEMBER 2018

In Rupees Thousand	Current Period From 01/01/2018 To 30/09/2018 (Unaudited)	Previous Period From 01/01/2017 To 30/09/2017 (Unaudited)	Current Year for the Period From 01/07/2018 To 30/09/2018 (Unaudited)	Previous Year for the Period From 01/07/2017 To 30/09/2017 (Unaudited)
Interest Income	18,049,074	14,671,240	6,157,239	5,518,285
Interest Expenses	(9,494,933)	(8,089,838)	(3,209,801)	(2,978,782)
Net Interest Income	**8,554,141**	**6,581,403**	**2,947,438**	**2,539,503**
Fee and Commission Income	737,221	703,885	258,491	269,371
Fee and Commission Expenses	(184,284)	(123,302)	(64,817)	(47,112)
Net Fee and Commission Income	**552,937**	**580,583**	**193,674**	**222,260**
Net Gain/(Loss) from financial Instruments at fair value through profit or Loss	(39)	(1)	(39)	(7)
Other Operating Income (net)	268	549	178	(48,583)
Total Operating Income	**9,107,307**	**7,162,534**	**3,141,251**	**2,713,173**
Impairment for Loans & Other Losses				-
Individual Impairment	-	-	-	-
Collective Impairment	(913,398)	(393,861)	(306,721)	(107,900)
Net Operating Income	**8,193,908**	**6,768,673**	**2,834,531**	**2,605,273**
Personnel Expenses	(4,405,446)	(3,371,577)	(1,606,901)	(1,154,314)
Depreciation and amortisation	(234,958)	(203,184)	(78,133)	(92,495)
Other Expenses	(1,330,041)	(1,091,386)	(484,276)	(428,615)
Operating Profit/(Loss) before value added tax (VAT)	**2,223,463**	**2,102,526**	**665,221**	**929,849**
Nation Building Tax	(108,196)	(87,974)	(36,950)	(33,975)
Value added tax (VAT) on financial services	(811,470)	(659,805)	(277,126)	(254,810)
Profit/(Loss) before tax	**1,303,798**	**1,354,747**	**351,145**	**641,064**
Tax Expenses	(686,430)	(628,922)	(192,791)	(281,221)
Profit/(Loss) for the period	**617,368**	**725,825**	**158,354**	**359,843**
Profit attributable to :				
Shareholders	617,368	725,825	158,354	359,843
Non- controlling Interest	-		-	-
Earning per share				
Basic earning per ordinary share	2.13	7.06	1.64	10.50

PRADESHIYA SANWARDANA BANK
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30th SEPTEMBER 2018

In Rupees Thousand	Current Period From 01/01/2018 To 30/09/2018 (Unaudited)	Previous Period From 01/01/2017 To 30/09/2017 (Unaudited)	Current Year for the Period From 01/07/2018 To 30/09/2018 (Unaudited)	Previous Year for the Period From 01/07/2017 To 30/09/2017 (Unaudited)
Profit for the period	617,368	725,825	158,354	359,843
Actuarial gains and losses on defined benefit plans			-	-
Deferred tax effect on above			-	-
Comprehensive income for the period, net of taxes	**-**	**-**	**-**	**-**
Total comprehensive income for the Period	**617,368**	**725,825**	**158,354**	**359,843**
Attributable to:				
Equity holders of the parent	617,368	725,825	158,354	359,843
Non-controlling interest	-	-	-	-
	617,368	**725,825**	**158,354**	**359,843**

PRADESHIYA SANWARDHANA BANK

STATEMENT OF FINANCIAL POSITION

AS AT 30th SEPTEMBER 2018

In Rupees Thousand	Current Period As at 30/09/2018 (Unaudited)	Previous Year As at 31/12/2017 (Audited)
Assets		
Cash and cash equivalents	752,391	482,920
Sri Lankan Government Securities	2,582,223	2,512,363
Balance with banks	20,449,408	27,702,520
Placements with Banks	11,875,726	6,682,476
Fianacial assets held for trading	158	197
Loans and receivables given to other customers	134,742,922	127,508,812
Financial Investments - Held- to- Maturity	507,805	516,935
Property, Plant and Equipment	1,346,071	1,204,893
Goodwill and intangible assets	85,523	37,843
Deffered Tax assets	343,876	343,879
Other assets	3,788,761	2,266,366
Total assets	**176,474,864**	**169,259,202**
Liabilities		
Due to banks	12,598,887	10,729,312
Due to other customers	141,277,294	139,827,365
Debt Securities Issued	4,753,418	4,707,853
Other Liabilities	5,983,265	2,686,029
Retirement Benefit Obligation	1,631,885	1,695,895
Total liabilities	**166,244,748**	**159,646,453**
Equity		
Stated Capital	3,870,937	3,870,937
Statutory Reserve Fund	663,652	663,652
Retained Earnings	2,334,276	1,716,909
Other Reserves	3,361,251	3,361,251
Total Shareholders' Equity	**10,230,116**	**9,612,749**
Total Equity	**10,230,116**	**9,612,749**
Total Equity and Liabilities	**176,474,864**	**169,259,202**
Contingent Liabilities and Commitments	197,119	406,561
Memorandum Information		
Number of Permanent Employees	**2,358**	**2,316**
Number of Branches	**265**	**265**

PRADESHIYA SANWARDHANA BANK
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30th SEPTEMBER 2018

Bank	Stated Capital	Reserve				Total	Non Controlling Interest	Total Equity
	Ordinary voting Shares	Statutory Reserve Fund	Revaluation Reserve	Retained Earning	Other Reserves			
In Rupees Thousand								
Balance as at 01/01/2018 (Opening balance)	3,870,937	663,652		1,716,909	3,361,251	**9,612,749**	-	**9,612,749**
Profit / (loss) for the Period		-	-	617,368		**617,368**	-	**617,368**
Other Comprehensive Income (net of tax)		-	-	-	-	**-**	-	-
Issued Share Capital		-	-	-	-	**-**	-	**-**
Others(please specify)		-	-	-	-	-	-	-
Total transaction with equity holders	**-**	**-**	**-**	**617,368**	**-**	**617,368**	**-**	**-**
Balance as at 30/09/2018 (Closing Balance)	**3,870,937**	**663,652**	**-**	**2,334,276**	**3,361,251**	**10,230,116**	**-**	**10,230,116**

FOR THE PERIOD ENDED 30th SEPTEMBER 2017

Bank	Stated Capital	Reserve				Total	Non Controlling Interest	Total Equity
	Ordinary voting Shares	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 Period				725,825	-	**725,825**		**725,825**
Other Comprehensive Income (net of tax)						**-**		**-**
Dividend Paid						**-**		**-**
Transferred to Statutory Reserve Fund						**-**		**-**
Transferred to Special Reserve Fund						**-**		**-**
Transferred to General Reserve Fund						**-**		**-**
Balance as at 30/09/2017 (Closing Balance)	**1,370,937**	**599,456**	**-**	**1,714,109**	**3,040,268**	**6,724,770**	**-**	**6,724,770**

PRADESHIYA SANWARDHANA BANK

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30th SEPTEMBER 2018

In Rupees Thousand	Bank	
	Current Period	Previous Period
	30/09/2018 Unaudited	30/09/2017 Unaudited
Cash Flows From Operating Activities		
Profit before tax	2,223,463	2,102,526
Adjustment for :		
Non - Cash item included in Profits before tax	1,417,371	834,934
Change in Operating assets	(9,874,622)	(15,493,126)
Change in Operating Liabilities	6,616,739	24,839,533
Other reclassification	-	-
Contribution paid to defined benefit plans	(64,009)	(29,379)
Tax paid	(1,862,386)	(1,326,551)
Net cash generated from operating activities	**(1,543,445)**	**10,927,936**
Cash flows from investing activities		
Purchase of property , plant and equipment	(226,668)	(242,682)
Proceeds from the sale of property , plant and equipment	208	241
Net Purchase of intangible assets	(47,681)	(1,062)
Net cash (used in)/from investing activities	**(274,141)**	**(243,502)**
Cash flow from financing activities		
Net proceeds from the issue of odinary share capital	-	-
Net proceeds from the issue of subordinate debt	-	2,000,000
Interest paid on Debenture	(401,378)	(324,592)
Dividend paid	-	-
Net cash from financing activities	**(401,378)**	**1,675,408**
Net Increase / (decrease) in cash & cash equivalents	**(2,218,964)**	**12,359,841**
Cash and cash equivalents at the beginning of the period	34,702,875	19,056,079
Cash and cash equivalents at the end of the period	**32,483,911**	**31,415,919**
Reconciliation of Cash & Cash Equivalents		
Cash and cash equivalents	752,391	594,900
Favorable Balances with banks	32,325,134	31,374,742
Unfavorable Balances with banks	(593,614)	(553,724)
	32,483,911	**31,415,919**

PRADESHIYA SANWARDHANA BANK
ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS
AS AT 30th SEPTEMBER 2018

a. Bank - Current Period

In Rupees Thousand	HFT	HTM	Loans & Receivables	AFS	Total
ASSETS					
Cash and cash equivalents	-	-	752,391	-	752,391
Sri Lankan Government Securities	-	2,582,223	-	-	2,582,223
Balances with other Banks	-	-	20,449,408	-	20,449,408
Placements with banks	-	-	11,875,726	-	11,875,726
Fianacial assets held for trading	158	-	-	-	158
Fianacial assets held to Maturity	-	507,805	-	-	507,805
Loans and receivables given to other customers	-	-	134,742,922	-	134,742,922
Other assets	-	-	1,382,204	-	1,382,204
Total Financial Assets	**158**	**3,090,027**	**169,202,651**	**-**	**172,292,836**

In Rupees Thousand	HFT	HTM	Amortized Cost	AFS	Total
LIABILITIES					
Due to banks	-	-	12,598,887	-	12,598,887
Due to other customers	-	-	141,277,294	-	141,277,294
Debt securities issued	-	-	4,753,418	-	4,753,418
Other Liabilities	-	-	5,983,265	-	5,983,265
Total Financial Liabilities	**-**	**-**	**164,612,863**	**-**	**164,612,863**

b. Bank - As at 31.12.2017 (Audited)

In Rupees Thousand	HFT	HTM	Loans & Receivables	AFS	Total
ASSETS					
Cash and cash equivalents	-	-	482,920	-	482,920
Sri Lanka government securities	-	2,512,363	-	-	2,512,363
Balances with other banks	-	-	27,702,520	-	27,702,520
Placements with banks	-	-	6,682,476	-	6,682,476
Fianacial assets held for trading	197	-	-	-	197
Fianacial assets held to Maturity	-	516,935	-	-	516,935
Loans and receivables given to other customers	-	-	127,508,812	-	127,508,812
Other assets	-	-	1,203,617	-	1,203,617
Total Financial Assets	**197**	**3,029,297**	**163,580,345**	**-**	**166,609,838**

In Rupees Thousand	HFT	HTM	Amortized Cost	AFS	Total
LIABILITIES					
Due to banks	-	-	10,729,312	-	10,729,312
Due to other customer	-	-	139,827,365	-	139,827,365
Debt securities issued	-	-	4,707,853	-	4,707,853
Other Liabilities			2,686,029		2,686,029
Total Financial Liabilities	**-**	**-**	**157,950,558**	**-**	**157,950,558**

PRADESHIYA SANWARDHANA BANK
SELECTED PERFORMANCE INDICATORS
(AS PER REGULATORY REPORTING)
AS AT 30th SEPTEMBER 2018

Item	30/09/2018 (Unaudited)	31/12/2017 (Audited)
Net Assets value per Share (Rs.)	26.43	24.83
Regulatory Capital Adequacy		
Common Equity Tier 1 Capital Rs.'000	9,230,973	9,230,998
Total Tier 1 Capital Rs.'000	9,230,973	9,230,998
Total Capital Rs.'000	12,399,000	13,285,846
Common Equity Tier 1 Capital Ratio (Minimum Requirement, Basel III - 6.375%)	8.07%	8.73%
Tier I Capital Ratio, as % of Risk Weighted Assets (Minimum Requirement, Basel III - 7.875%)	8.07%	8.73%
Total Capital Ratio, as % of Risk Weighted Assets (Minimum Requirement, Basel III - 11.875%)	10.84%	12.57%
Assets Quality (Quality of Loan Portfolio)		
Gross Non-Performing Advances Ratio, % (net of interest in Suspense)	6.66%	3.27%
Net Non-Performing Advances Ratio, % (net of interest in Suspense and provision)	4.51%	1.73%
Profitability		
Interest Margin, %	6.60%	6.45%
Return on Assets (before Tax), %	1.71%	2.20%
Return on Equity, %	8.30%	16.45%
Invester information		
Debt equity (%)	46.46%	48.98%
Interest cover (times)	2.77	4.43
Regulatory Liquidity		
Statutory Liquid Assets, Rs.'000	32,276,442	33,639,321
Statutory Liquid Assets Ratio, % (Minimum requirement, 20%)	24.09%	26.27%
Domestic Banking Unit	265	265

SHARE INFORMATION

Shareholders	Current Period		Previous Period	
	30/09/2018		30/09/2017	
	No of Ordinary Shares	Holding %	No of Ordinary Shares	Holding %
Government Treasury	337,744,671	87%	87,744,671	64%
Bank of Ceylon	16,448,448	4%	16,448,448	12%
Peoples Bank	16,448,448	4%	16,448,448	12%
National Savings Bank	16,452,126	4%	16,452,126	12%

EXPLANATORY NOTES

1 These financial statements are presented in accordance with Sri Lanka Accounting Standards comprising of Sri Lanka Financial Reporting Standards (SLFRS) and Sri Lanka Accounting Standards (LKAS) laid down by the Institute of Chartered Accountants of Sri Lanka, together with comparative period data as at and for the Year ended 31 December 2017.

2 There are no changes in accounting policies and methods of computation since the publication of annual accounts for the year 2017.

3 No circumstances have arisen and no material events have occurred since the reporting date, which require disclosures or adjustments to the financial statements.

4 During the period there were no material changes in the composition of assets, liabilities and contingent liabilities.

5 All known expenses have been charged in these financial statements.

CERTIFICATION

We 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 for the period ended 30.09.2018 have been extracted from the unaudited financial statements of the bank unless indicated as audited.

Signed By
Chief Finance Officer

Signed By
Chief Executive Officer

Signed By
Director

Signed By
Director

Date: **12-Nov-18**

1) Loans and Receivables given to other Customers

In Rupees Thousand	Bank Current Period As at 30/09/2018 (Unaudited)	Bank Previous Period As at 30/09/2017 (Unaudited)
Gross loans and receivables	138,490,039	123,460,985
(Less): Zero rate loan fair value adjustment	(106,516)	(159,863)
Staff loan fair value adjustment	(745,241)	(760,807)
Individual impairment charges	(173,823)	(24,184)
Collective impairment charges	(2,721,536)	(1,908,391)
Net Loans and receivables including those designated at fair value through profit or loss	**134,742,922**	**120,607,740**
(Less): Loans and Receivables designated at fair value through profit & Loss	-	-
Net loans and receivables	**134,742,922**	**120,607,740**

2) Loans and Receivables to other Customers - By product

In Rupees Thousand	Bank Current Period As at 30/09/2018 (Unaudited)	Bank Previous Period As at 30/09/2017 (Unaudited)
By Product -Domestic Currency		
Term Loans	120,931,019	108,015,658
Pawning	10,249,480	9,119,024
Staff Loans	3,488,132	3,427,344
Interest Receivable on Loans & Advances	3,821,407	2,898,959
Sub Total	**138,490,039**	**123,460,985**

3) Movements in indivudual and collective impairement during the period for Loans and Receivables to other customers

In Rupees Thousand	Bank Current Period As at 30/09/2018 (Unaudited)	Bank Previous Period As at 30/09/2017 (Unaudited)
Individual Impairement		
Opening Balance	173,823	24,184
Charge/(Write back) to income Statement	-	-
Write- off during the year	-	-
Other movements	-	-
Closing Balance	**173,823**	**24,184**
Collective Impairement		
Opening Balance	**1,790,453**	**1,504,275**
Charge/(Write back) to income Statement	913,398	393,861
Write- off during the year	-	-
Other movements	17,685	10,255
Closing Balance	**2,721,536**	**1,908,391**
Total Impairement	**2,895,359**	**1,932,575**

4) Due to other customers - By Product

In Rupees Thousand	Bank Current Period As at 30/09/2018 (Unaudited)	Bank Previous Period As at 30/09/2017 (Unaudited)
By Product -Domestic Currency		
Savings Deposits	31,942,999	28,276,130
Fixed Deposits	89,844,388	81,937,474
Long Term Savings	19,489,907	19,026,722
Sub Total	**141,277,294**	**129,240,327**

Listed Debenture Information

Type	No of Debentures	Face value (Rs.)	Amortized cost 2017 (Rs.)	Allotment Date	Maturity Date	Rate of the interest	Interest Rate of comparable Government Security	Traded Yield	2018/01/01-2018/09/30	2017/01/01-2017/09/30
A	21,288,500	2,128,850,000	2,320,446,500	2015/01/30	2020/01/30	Fixed - 9.00% per annum payable annually	10.09%	0%	Not Traded	Not Traded
B	3,610,200	361,020,000	377,053,640	2015/01/30	2020/01/30	Fixed - 8.81% per annum payable bi-annually	10.09%	0%	Not Traded	Not Traded
C	101,300	10,130,000	10,352,394	2015/01/30	2020/01/30	Fixed - 8.71% per annum payable quarterly	10.09%	0%	Not Traded	Not Traded
	25,000,000	**2,500,000,000**	**2,707,852,534**							

RDB Debenture Type C (Unsecured subordinate Redeemable 5 Year Debenture)

Last Traded Date 03/12/2015

- Highest Price - Rs. 90.00, Lowest Price - Rs. 90.00, Last Transaction Price - Rs. 90.00