PUBLIC BANK BERHAD SRI LANKA BRANCH

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FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

AAA /STABLE/ P1
RAM Ratings

STATEMENT OF FINANCIAL POSITION

As at

	BANK (Rs.'000)		GROUP (RM.'000)	
	30-September-2022	31-December-2021 (Audited)	30-September-2022	31-December-2021
ASSETS				
Cash and cash equivalents	**2,185,886**	1,848,262	**17,188,879**	17,530,611
Statutory deposit with Central Bank of Sri Lanka / other Central Banks	**114,385**	114,024	**1,823,823**	1,222,165
Reverse repurchases agreements	**-**	-	**-**	-
Derivative financial instruments	**-**	1,282	**1,001,128**	140,434
Financial assets at fair value through profit or loss	**-**	-	**607,800**	1,016,004
Financial investments at fair value through other comprehensive income	**27,166**	27,166	**57,402,027**	53,269,292
Loans, advances and financing	**6,107,334**	6,700,985	**369,332,161**	354,052,463
Financial investments at amortized cost	**3,010,795**	4,577,481	**24,801,155**	26,146,102
Investments in Associates	**-**	-	**113,915**	115,443
Property, Plant & Equipment	**74,401**	82,318	**1,238,445**	1,324,707
Right-of-use assets	**129,835**	150,991	**1,307,950**	1,252,386
Investment properties	**-**	-	**625,154**	606,074
Intangible assets	**3,400**	29,045	**2,609,835**	2,459,434
Deferred Tax Assets	**22,985**	22,985	**728,575**	519,009
Other Assets	**79,581**	103,014	**3,132,250**	3,085,331
TOTAL ASSETS	**11,755,768**	13,657,553	**481,913,097**	462,739,455
LIABILITIES				
Deposits from banks	**306,547**	2,588,848	**13,878,424**	8,123,769
Deposits from customers	**3,344,683**	3,904,225	**393,308,243**	380,394,214
Obligations on securities sold under repurchase agreements	**-**	-	**506,122**	1,001,831
Derivative financial instruments	**-**	-	**507,786**	254,458
Other Borrowings	**-**	-	**3,878,945**	5,822,058
Debt securities issued and other borrowed funds	**-**	-	**11,179,964**	10,863,742
Current Tax Liabilities	**105,769**	32,880	**965,990**	644,903
Retirement Benefit Obligation	**38,287**	32,863	**-**	-
Deferred Tax Liabilities	**-**	-	**74,299**	70,995
Lease liabilities	**137,986**	176,653	**910,716**	916,653
Other Liabilities	**238,608**	216,187	**6,075,657**	5,221,425
TOTAL LIABILITIES	**4,171,880**	6,951,657	**431,286,146**	413,314,048
Equity				
Share capital/Assigned capital	**3,792,318**	3,792,318	**9,417,653**	9,417,653
Statutory reserve fund	**129,939**	129,939	**251,508**	248,231
Retained earnings	**2,783,728**	2,457,705	**38,230,663**	37,060,892
Total other reserves	**877,903**	325,935	**1,313,776**	1,435,886
Equity attributable to equity holders of the Bank	**7,583,889**	6,705,897	**49,213,600**	48,162,662
Non-controlling Interests	**-**	-	**1,413,351**	1,262,745
Total Equity	**7,583,889**	6,705,897	**50,626,951**	49,425,407
TOTAL LIABILITIES AND EQUITY	**11,755,768**	13,657,553	**481,913,097**	462,739,455
Contingent liabilities and commitments	**2,074,405**	2,592,605	**110,256,859**	102,643,461
Contingencies	**455,786**	339,324	**3,334,310**	3,146,952
Commitments	**1,618,619**	2,253,281	**68,060,495**	64,292,261
Derivative financial instruments	**-**	-	**38,862,054**	35,204,248
Memorandum Information				
Number of Employees	**58**	59	**19,111**	19,364
Number of Branches	**3**	3	**267**	269

STATEMENT OF PROFIT OR LOSS

	BANK (Rs.'000)		GROUP (RM.'000)	
	For the period ended 30 September 2022	For the period ended 30 September 2021	For the period ended 30 September2022	For the period ended 30 September 2021
Interest Income	**1,023,602**	571,859	**10,720,458**	10,102,594
Less: Interest Expenses	**241,579**	117,072	**4,011,092**	3,873,309
Net Interest Income	**782,023**	454,787	**6,709,366**	6,229,285
Net Income From Islamic Banking Business	**-**	-	**1,265,623**	1,224,276
Net Interest Income and net Income from Islamic Banking Business	**782,023**	454,787	**7,974,989**	7,453,561
Fee and Commission Income	**46,366**	18,661	**2,150,669**	2,273,046
Less : Fee and Commission Expenses	**7,330**	5,620	**(708,429)**	650,804
Net Fee and Commission Income	**39,036**	13,041	**1,442,240**	1,622,242
Net Trading Income	**111,930**	38,715	**216,962**	195,437
Other Operating Income	**12,055**	11,154	**153,837**	220,576
Total Operating Income	**945,044**	517,697	**9,788,028**	9,491,816
(Allowance)/ Writeback of allowance for impairment on loans, advances and financing				
Expected credit losses	**(33,927)**	23,413	**(443,309)**	(1,060,189)
Impaired loans and financing recovered	**-**	-	**167,890**	141,286
Impaired loans and financing written off	**-**	-	**(125)**	(23)
Others - net	**-**	-	**(7,131)**	(2,296)
Net Operating Income	**911,117**	541,110	**9,505,353**	8,570,594
Personnel Expenses	**135,918**	136,653	**2,295,003**	2,197,628
Depreciation and amortization	**57,460**	67,246	**276,314**	279,713
Premises, Equipment and establishment Expenses	**98,763**	91,299	**298,391**	272,514
Other Overhead Expenses	**56,945**	37,863	**325,386**	254,589
Operating Profit before VAT on financial service	**562,031**	208,049	**6,310,259**	5,566,150
Value Added Tax (VAT) on Financial Services	**91,500**	46,091	**-**	-
Debt Repayment Levy (DRL)	**-**	-	**-**	-
Operating Profit after VAT on financial service	**470,531**	161,958	**6,310,259**	5,566,150
Shares of profit / (loss)after tax of equity accounted associated companies	**-**	-	**(151)**	(5,736)
Profit before Tax	**470,531**	161,958	**6,310,108**	5,560,414
Income Tax expenses	**144,507**	56,228	**(1,861,492)**	1,229,121
Profit for the Period	**326,024**	105,730	**4,448,616**	4,331,293
Attributable to:				
Equity Holders of the Parent	**326,024**	105,730	**4,405,822**	4,275,700
Non-Controlling Interest	**-**	-	**42,794**	55,593
	326,024	105,730	**4,448,616**	4,331,293
Earnings per RM 1.00 share:				
- basic / diluted (sen)	**-**		**22.70**	22.03

LOANS, ADVANCES AND FINANCING	Bank (Rs.'000)		Group (Rm.'000)	
As at	30-September-2022	31-December-2021	30-September-2022	31-December-2021
Gross loans, advances and financing at amotised cost	**6,208,507**	6,755,732	**373,577,346**	358,026,752
Less : Allowances for impairment Expected credit losses				
- stage 1	**(66,378)**	(28,601)	**(2,157,071)**	(2,110,401)
- stage 2	**(19,624)**	(12,471)	**(1,796,210)**	(1,621,549)
- stage 3	**(15,171)**	(13,674)	**(291,904)**	(242,339)
Net loans, advances and financing receivables	**6,107,334**	6,700,985	**369,332,161**	354,052,463

LOANS, ADVANCES AND FINANCING - BY PRODUCT	Bank (Rs.'000)		Group (Rm.'000)	
As at	30-September-2022	31-December-2021	30-September-2022	31-December-2021
Overdrafts	**1,010,018**	873,203	**9,342,430**	9,225,460
Housing loans / financing	**741,038**	912,514	**150,616,205**	142,034,597
Other term loans / financing	**4,226,954**	4,607,719	**129,396,175**	129,367,856
Credit card receivables	**-**	-	**2,332,866**	2,182,299
Bills receivables	**78,461**	163,024	**262,169**	54,070
Vehicle loans	**90,065**	134,425	**-**	-
Staff loans	**61,971**	64,846	**2,196,597**	2,184,491
Hire purchase receivables	**-**	-	**60,189,201**	55,974,697
Trust receipts	**-**	-	**152,812**	206,751
Claims on customers under acceptance credits	**-**	-	**3,281,157**	2,680,262
Revolving credits	**-**	-	**11,744,215**	10,246,755
Syndicated term loans / financing	**-**	-	**4,063,519**	3,869,514
	6,208,507	6,755,732	**373,577,346**	358,026,752

MOVEMENT IN EXPECTED CREDIT LOSSES DURING THE PERIOD / YEAR FOR LOANS, ADVANCES AND FINANCING	Bank (Rs.'000)		Group (Rm.'000)	
As at	30-September-2022	31-December-2021	30-September-2022	31-December-2021
Opening balance at 01 January 2022	**54,747**	84,978	**2,910,921**	2,848,446
Net expected credit losses during the Period	**45,707**	(6,846)	**-**	-
reversal of write-off during the Period	**-**	(23,343)	**-**	-
Loans, advances and financing derecognised (other than write-off)	**-**	-	**(64,590)**	(193,312)
New loans, advances and financing originated	**-**	-	**62,171**	187,437
Net remeasurement due to changes in credit risk	**-**	-	**(9,543)**	928,768
Modifications to contractual cash flows	**-**	-	**202,413**	295,247
Changes in models / risk parameters	**-**	-		171,824
Amounts written off		-	**(77,847)**	(270,705)
Amounts transferred to allowances for impairment loss on foreclosed properties	**-**	-	**(262)**	(93)
Exchange difference	**720**	(42)	**34**	6,677
Closing balance as at 30 September 2022	**101,174**	54,747	**3,023,297**	3,974,289

DEPOSITS FROM CUSTOMERS- BY PRODUCT	Bank (Rs.'000)		Group (Rm.'000)	
As at	30-September-2022	31-December-2021	30-September-2022	31-December-2021
Demand deposits	**598,823**	653,559	**69,657,628**	65,805,801
Savings deposits	**435,691**	282,767	**51,142,514**	52,195,611
Fixed deposits	**2,303,029**	2,483,112	**219,059,723**	207,768,245
Negotiable instruments of deposit	**-**	-	**-**	-
Call deposits	**-**	481,853	**-**	-
Money market deposits	**-**	-	**53,395,773**	54,562,580
Other deposits	**7,140**	2,934	**52,605**	61,977
Total	**3,344,683**	3,904,225	**393,308,243**	380,394,214

STATEMENT OF CHANGES IN EQUITY AND RESERVES (BANK) (Rs. ' 000)

For the period ended 30 September 2022

	Stated Capital / Assigned capital			Reserves				
	Ordinary Voting Shares	Ordinary Non-Voting Shares	Assigned Capital	Statutory Reserve Fund	FCBU Revaluation Reserve	Other reserves	Retained Earnings	Total Equity
Balance as at 01 January 2022	**-**	**-**	**3,792,318**	**129,939**	**301,799**	**24,136**	**2,457,704**	**6,705,897**
Profit for the Period	**-**	**-**	**-**	**-**	**-**	**-**	**326,024**	**326,024**
Actuarial gain on defined benefit plans	**-**	**-**	**-**	**-**	**-**	**-**		**-**
Gain on translation of FCBU	**-**	**-**	**-**	**-**	**551,968**	**-**	**-**	**551,968**
Deferred tax reversal on other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**		**-**
Net Change in fair value of equity instruments	**-**	**-**	**-**	**-**	**-**		**-**	**-**
Total comprehensive income for the Period	**-**	**-**	**-**	**-**	**551,968**	**-**	**326,024**	**877,992**
Transactions with equity holders, recognised directly in equity:								
Transfer to Statutory Reserve Fund	**-**	**-**	**-**					**-**
Total transactions recorded directly in equity	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance as at 30 September 2022 (Closing Balance)	**-**	**-**	**3,792,318**	**129,939**	**853,767**	**24,136**	**2,783,728**	**7,583,889**

STATEMENT OF CHANGES IN EQUITY AND RESERVES (GROUP) (RM. ' 000)

For the period ended 30 September 2022

	Stated Capital / Assigned capital	Reserves					
	Share Capital	Statutory Reserve Fund	Other Reserves	Retained Profits	Total Shareholders' Equity	Non-controlling Interests	Total Equity
Balance as at 01 January 2022	**9,417,653**	**248,231**	**1,435,886**	**37,060,892**	**48,162,662**	**1,262,745**	**49,425,407**
Profit for the Period	**-**	**-**	**-**	**4,405,822**	**4,405,822**	**42,794**	**4,448,616**
Other comprehensive income for the Period	**-**	**-**	**(307,405)**	**-**	**(307,405)**	**116,487**	**(190,918)**
Total comprehensive income for the Period	**-**	**-**	**(307,405)**	**4,405,822**	**4,098,417**	**159,281**	**4,257,698**
Transactions with owners / other equity movements :							
Disposal of treasury shares	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transfer to statutory reserves	**-**	**3,277**	**-**	**(3,277)**	**-**	**-**	**-**
Transfer from regulatory reserves	**-**	**-**	**185,467**	**(185,467)**	**-**	**-**	**-**
Transfer to general reserves	**-**	**-**	**(172)**	**172**	**-**	**-**	**-**
Dividends paid	**-**	**-**	**-**	**(3,047,479)**	**(3,047,479)**	**(8,675)**	**(3,056,154)**
	-	**3,277**	**185,295**	**(3,236,051)**	**(3,047,479)**	**(8,675)**	**(3,056,154)**
Balance as at 30 September 2022 (Closing Balance)	**9,417,653**	**251,508**	**1,313,776**	**38,230,663**	**49,213,600**	**1,413,351**	**50,626,951**

STATEMENT OF OTHER COMPREHENSIVE INCOME (BANK) (Rs. ' 000) (GROUP) (RM. ' 000)

	For the period ended 30 September 2022	For the period ended 30 September 2021	For the period ended 30 September 2021	For the period ended 30 September2020
Profit for the Period	**326,024**	105,730	**4,448,616**	4,331,293
Other comprehensive income / (loss)				
Items that will not be reclassified to profit or loss				
Net change in revaluation of Equity instruments	**-**	-	**18,253**	13,174
Gain on desposal of equity instruments	**-**		**-**	319
		-		
	-	-	**18,253**	13,493
		-		
Items that may be reclassified to profit or loss				
Currency translation differences in respect of				
- Foreign operations	**551,968**	42,422	**810,522**	354,463
- Net investment hedge	**-**		**(444,266)**	(158,533)
Net changes in revaluation of financial investments :				
- at fair vale through other comprehensive income	**-**	-	**(987,915)**	(1,012,391)
Net change in cash flow hedges	**-**	-	**264,691**	91,751
	551,968	42,422	**(356,968)**	(724,710)
Income tax effect	**-**	-	**149,176**	205,041
Share of changes in associated companies' reserves	**-**	-	**(1,379)**	(1,260)
Other comprehensive income / (loss) for the Period net of tax	**551,968**	42,422	**(190,918)**	(507,436)
Total comprehensive income for the Period	**877,992**	148,152	**4,257,698**	3,823,857
Total comprehensive income for the Period attributable to:				
- Equity holders of the parent	**877,992**	148,152	**4,098,417**	3,721,448
- Non-controlling interests	**-**	-	**159,281**	102,409
	877,992	148,152	**4,257,698**	3,823,857

SELECTED PERFORMANCE INDICATORS (BANK) (Rs. ' 000) (GROUP) (RM. ' 000)

as at 30 September 2022

	As at 30 September 2022 Bank (Solo Basis)	As at 31 December 2021 Bank (Solo Basis)	As at 30 September 2022 Group	As at 31 December 2021 Group
Regulatory Capital Adequacy	**Basel 111**	**Basel 111**	**Basel 11**	**Basel 11**
Common Equity Tier 1 Capital	**6,338,933**	6,295,049	**44,704,357**	44,922,926
Total Tier 1 Capital	**6,338,933**	6,295,049	**44,865,294**	45,081,704
Total Capital	**6,415,124**	6,329,886	**54,347,769**	54,372,958
Total Risk - Weighted Assets	**7,765,099**	8,326,392	**314,128,594**	298,889,732
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital Ratio (Minimum Requirement : 4.5%)	**-**	-	**14.23%**	15.03%
Common Equity Tier 1 Capital Ratio (Minimum Requirement -7%)	**81.63%**	75.60%		
Total Tier 1 Capital Ratio (Minimum Requirement : 6%)	**-**	-	**14.28%**	15.08%
Total Tier 1 Capital Ratio (Minimum Requirement - 8.5%)	**81.63%**	75.60%		
Total Capital Ratio (Minimum Requirement : 8%)	**-**	-	**17.30%**	18.19%
Total Capital Ratio (Minimum Requirement - 12.5%)	**82.61%**	76.02%		
Leverage Ratio (minimum requirement : 3%)	**45.18%**	38.00%		
Assets Quality (Quality of Loan Portfolio)				
Gross Non - Performing Advances Ratio, %	**1.53%**	1.03%		
Impaired Loans (Stage 3) Ratio (%)	**1.17%**	0.69%		
Impairment (Stage 3) to Stage 3 Loans Ratio (%)	**15.97%**	19.12%		
Profitability				
Interest Margin, %	**8.65%**	5.26%		
Return on Assets (before Tax). %	**5.08%**	1.79%		
Return on Equity, %	**5.99%**	2.29%		
Regulatory Liquidity				
Statutory Liquid Assets	**2,667,457**	5,744,801		
Statutory Liquid Assets Ratio,% (Minimum Requirement, 20%)				
Domestic Banking unit	**81.94%**	125.91%		
Off-Shore Banking Unit	**33.95%**	119.67%		
Net Stable funding ratio (NSFR)	**182.00%**	157.00%		
Liquidity Coverage Ratio				
Liquidity Coverage Ratio (%) - Rupee (Minimum Requirement - 100%)	**1066.00%**	179.00%		
Liquidity Coverage Ratio (%) - All Currency (Minimum Requirement -100%)	**2825.28%**	256.00%		

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 September 2022

	BANK (Rs.'000)	BANK (Rs.'000)	GROUP (Rm.'000)	GROUP (Rm.'000)
	For the period ended 30 September 2022	For the period ended 30 September 2021	For the period ended 30 September 2022	For the period ended 30 September 2021
Cash flows from Operating activities				
Profit Before Income Tax	**470,531**	161,958	**6,310,108**	4,810,343
Adjustment for:				
Depreciation and amortisation	**43,364**	50,985	**276,314**	267,036
Allowance for impaired loans and advances	**33,927**	(23,413)	**443,309**	714,084
Share of loss after tax of equity accounted associated companies	**-**	-	**151**	(3,674)
Provision for retirement benefits	**5,805**	5,805	**-**	-
Dividend income	**-**	-	**(2,584)**	(2,284)
Net gain on financial instruments	**-**	-	**(72,638)**	(381,890)
Allowances for impairment on other assets	**-**	-	**7,131**	8,900
Other non-cash items	**-**	-	**2,759**	6,734
	553,627	195,335	**6,964,550**	5,419,249
Change in statutory deposits with Central Banks	**(361)**	(38,295)	**-**	-
Change in operating assets	**609,290**	678,143	**(16,203,199)**	(2,420,946)
Increase / (Decrease) in operating liabilities	**(2,858,089)**	(993,546)	**16,425,073**	14,116,414
	(1,695,533)	(158,363)	**7,186,424**	17,114,717
Income tax expenses and zakat paid	**(71,619)**	(55,405)	**(1,596,437)**	(612,986)
Gratuity paid	**(381)**	(2,392)	**-**	-
Net cash generated from operating activities	**(1,767,533)**	(216,160)	**5,589,987**	16,501,731
Cash flows from investing activities				
Net (Purchase of) / Proceeds from sale of Sri Lanka Government Securities	**1,567,968**	679,898	**-**	-
Acquisition of property, plant and equipment	**(9,368)**	(22,241)	**(89,929)**	(100,982)
Addition to investment properties	**-**	-	**(18)**	(62)
Proceeds from the sale of property, plant and equipment	**-**	-	**28,169**	8,651
Acquisition of intangible assets	**(434)**	(5,244)	**-**	-
Purchase of leasehold land	**-**	-	**(39,285)**	
Net (Purchase) / sale of financial investments	**-**	-	**(3,769,111)**	(7,889,167)
Additional investment in an associated company	**-**	-	**-**	-
Dividends received	**-**	-	**2,584**	2,284
Net cash (used in) investing activities	**1,558,166**	652,413	**(3,867,590)**	(7,979,276)
Cash flows from financing activities				
Dividends paid	**-**	-	**(3,056,154)**	(1,557,584)
Net proceeds from issuance of debt securities	**-**	-	**2,500,000**	-
Net proceeds from term loan facility	**-**	-	**3,047,227**	-
Repayment of term loan facility	**-**		**(3,058,430)**	
Repayment of lease liabilities	**-**	-	**(65,223)**	(95,233)
Redemption of debt securities	**-**	-	**(2,500,000)**	-
Net cash used in financing activities	**-**	-	**(3,132,580)**	(1,652,817)
Net increase/(decrease) in cash and cash equivalents	**(209,367)**	436,253	**(1,410,183)**	6,869,638
Cash and cash equivalents at the beginning of the year	**1,848,262**	1,158,742	**14,048,205**	12,191,838
Exchange differences on translation of opening balances	**551,968**	42,422	**829,852**	116,079
Cash and cash equivalents at end of the period	**2,190,864**	1,637,417	**13,467,874**	19,177,555
Cash and cash equivalents	**2,185,886**	1,637,417	**17,188,879**	20,845,573
Less :Balances with banks with original maturity more than three months	**-**	-	**(3,721,005)**	(1,668,018)
Add : Allowances for expected credit losses	**4,978**	-	**-**	-
Cash and cash equivalents at end of the period	**2,190,864**	1,637,417	**13,467,874**	19,177,555

CERTIFICATION:

We, the undersigned, being the Country Head and the Head of Finance of Public Bank Berhad Sri Lanka branch 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 have been extracted from the unaudited financial statements of the Bank unless indicated as audited.

Angelo Fernando
(Sgd.) Country Head
30-November-2022

Ajith Dhammika Lanerolle
(Sgd.) Head of Finance
30-November-2022

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