PUBLIC BANK BERHAD

SRI LANKA BRANCH

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FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2017

AAA/STABLE/P1
RAM Ratings

STATEMENT OF FINANCIAL POSITION

As at

	BANK (Rs.'000)		GROUP (RM.'000)	
	30-September-2017	31-December-2016 (Audited)	30-September-2017	31-December-2016 (Audited)
ASSETS				
Cash and cash equivalents	**248,273**	1,039,584	**15,089,489**	10,684,092
Statutory Deposit with Central Bank of Sri Lanka / Other Central Banks	**78,244**	60,945	**9,276,565**	8,900,566
Reverse Repurchases Agreements	**-**	-	**944,851**	2,793,563
Derivative Financial instruments	**-**	-	**164,511**	618,141
Government Securities - Held-for-trading	**-**	-	**557,902**	501,621
Other Financial Assets Held-for-trading	**-**	-	**1,273,035**	677,263
Loans and Receivables	**6,123,619**	6,056,508	**299,860,777**	292,429,184
Financial Investments Available-for-Sale	**-**	-	**30,593,911**	33,345,205
Government Securities - Held-to-maturity	**1,190,887**	680,180	**16,489,213**	15,431,063
Financial Investments - Held-to-maturity	**-**	-	**12,492,903**	6,742,863
Investments in Associates	**-**	-	**35,009**	38,137
Property, Plant & Equipment	**48,550**	61,548	**1,438,181**	1,528,326
Investment properties	**-**	-	**689,971**	699,469
Intangible assets	**8,137**	10,096	**2,494,826**	2,603,621
Deferred Tax Assets	**98**	98	**73,824**	65,189
Other Assets	**65,019**	72,347	**2,589,330**	2,994,523
TOTAL ASSETS	**7,762,827**	7,981,306	**394,064,298**	380,052,826
LIABILITIES				
Deposits from banks	**52,752**	766,935	**11,160,244**	11,810,823
Deposits from Customers	**1,804,994**	1,563,785	**322,553,833**	309,973,568
Derivative Financial instruments	**-**	-	**692,587**	1,328,691
Other Borrowings	**-**	-	**4,745,576**	2,249,295
Debt securities issued and other borrowed funds	**-**	-	**12,459,035**	13,984,108
Current Tax Liabilities	**61,540**	53,862	**689,631**	563,114
Retirement Benefit Obligation	**35,132**	32,566	**-**	-
Deferred Tax Liabilities	**-**	-	**150,206**	155,287
Other Liabilities	**156,438**	108,437	**4,573,228**	4,624,169
TOTAL LIABILITIES	**2,110,856**	2,525,585	**357,024,340**	344,689,055
Equity				
Share Capital/Assigned Capital	**3,792,318**	3,792,318	**9,417,653**	3,882,138
Statutory Reserve Fund	**75,276**	75,276	**24,404**	4,950,283
Retained Earnings	**1,626,841**	1,436,650	**23,324,333**	16,898,317
Total Other Reserves	**157,536**	151,477	**3,141,889**	8,482,577
Total Shareholders' equity	**5,651,971**	5,455,721	**35,908,279**	34,213,315
Non-controlling Interests	**-**	-	**1,131,679**	1,150,456
Total Equity	**5,651,971**	5,455,721	**37,039,958**	35,363,771
TOTAL LIABILITIES AND EQUITY	**7,762,827**	7,981,306	**394,064,298**	380,052,826
Contingent liabilities and commitments	**1,769,008**	1,511,423	**105,467,770**	105,592,459
Contingencies	**1,264,834**	953,491	**3,618,164**	3,965,800
Commitments	**504,174**	557,932	**101,849,606**	101,626,659
Memorandum Information				
Number of Employees	**62**	62	**18,516**	18,651
Number of Branches	**3**	3	**264**	264

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

	BANK (Rs.'000)		GROUP (RM.'000)	
	For the period ended 30 September 2017	For the period ended 30 September 2016	For the period ended 30 September 2017	For the period ended 30 September 2016
Interest Income	**650,316**	445,796	**11,408,581**	11,253,570
Less: Interest Expenses	**103,771**	39,831	**5,879,108**	6,133,045
Net Interest Income	**546,545**	405,965	**5,529,473**	5,120,525
Net Income From Islamic Banking Business	**-**	-	**745,851**	709,661
Net Interest Income and net Income from Islamic Banking Business	**546,545**	405,965	**6,275,324**	5,830,186
Fee and Commission Income	**19,144**	20,151	**1,891,020**	1,694,002
Less : Fee and Commission Expenses	**4,914**	3,202	**600,227**	540,848
Net Fee and Commission Income	**14,230**	16,949	**1,290,793**	1,153,154
Net Trading Income	**202**	14,628	**242,112**	242,396
Other Operating Income	**4,716**	3,073	**151,987**	169,962
Total Operating Income	**565,693**	440,615	**7,960,216**	7,395,698
Allowance/ (Writeback) for impairment on loans, advances and financing				
Individual assessment allowance	**2,952**	1,111	**151,678**	162,086
Collective assessment allowance	**935**	6,328	**192,728**	225,903
Impaired loans and financing recovered (-)	**-**	-	**165,018**	158,234
Others - net	**-**	-	**2,484**	(121)
Net Operating Income	**561,806**	433,176	**7,778,344**	7,166,064
Personnel Expenses	**103,085**	86,335	**1,818,599**	1,692,196
Depreciation and amortization	**21,849**	21,770	**159,907**	149,277
Premises, Equipment and establishment Expenses	**65,533**	60,460	**319,303**	291,256
Other Operating Expenses	**38,486**	37,956	**316,686**	273,281
Operating Profit before Value Added Tax (VAT)	**332,853**	226,655	**5,163,849**	4,760,054
Value Added Tax (VAT) on Financial Services	**55,740**	31,010	**-**	-
Operating Profit after Value Added Tax (VAT)	**277,113**	195,645	**5,163,849**	4,760,054
Shares of (loss)/ profit after tax of equity accounted associated companies	**-**	-	**(3,414)**	1,267
Profit before Tax	**277,113**	195,645	**5,160,435**	4,761,321
Income Tax expenses	**86,922**	62,214	**1,118,821**	993,155
Profit for the period	**190,191**	133,431	**4,041,614**	3,768,166
Attributable to:				
Equity Holders of the Parent	**190,191**	133,431	**3,984,567**	3,724,093
Non-Controlling Interest	**-**	-	**57,047**	44,073
	190,191	133,431	**4,041,614**	3,768,166
Earnings per RM 1.00 share:				
- basic / diluted (sen)	**-**	-	**103.2**	96.4

LOANS AND RECEIVABLES	Bank (Rs.'000)		Group (Rm.'000)	
As at	30-September-2017	31-December-2016	30-September-2017	31-December-2016
Gross loans and receivables	**6,171,528**	6,100,462	**301,332,783**	293,959,182
Less				
Individual Assessment Allowance	**(18,360)**	**(15,408)**	**(113,274)**	(121,894)
Collective Assessment Allowance	**(29,549)**	**(28,546)**	**(1,358,732)**	(1,408,104)
Net loans and receivables	**6,123,619**	6,056,508	**299,860,777**	292,429,184
Less				
Loans and receivables designated at fair value through profit or loss	**-**	-	**-**	-
Net loans and receivables	**6,123,619**	6,056,508	**299,860,777**	292,429,184

LOANS AND RECEIVABLES - BY PRODUCT	Bank (Rs.'000)		Group (RM.'000)	
As at	30-September-2017	31-December-2016	30-September-2017	31-December-2016
By product - Domestic Currency				
Government Securities Eligible for Rediscounting with Central Bank of Sri Lanka	**-**	98,038	**-**	-
Overdrafts	**626,542**	650,123	**18,150**	20,285
Housing loans/financing	**971,904**	959,226	**33,967**	37,932
Vehicle loans	**654,007**	674,385	**18,118**	20,291
Other term loans / financing	**3,086,565**	2,786,163	**86,409**	84,701
Bills receivables	**309,874**	373,003	**9,190**	12,071
Staff loans	**40,845**	36,913	**-**	-
Sub total	**5,689,737**	5,577,851	**165,834**	175,280
By product - Foreign Currency				
Sri Lanka Development Bonds	**153,436**	152,947	**-**	-
Overdrafts	**41,023**	33,159	**11,504,665**	11,362,190
Housing loans/financing	**256,627**	303,568	**101,207,936**	95,579,510
Hire purchase receivables	**-**	-	**50,797,425**	51,964,419
Other term loans / financing	**7,022**	2,905	**121,303,612**	117,742,307
Credit card receivables	**-**	-	**1,855,233**	1,894,574
Bills receivables	**23,683**	30,032	**124,517**	181,528
Trust receipts	**-**	-	**268,499**	330,262
Staff loans	**-**	-	**1,872,015**	1,824,156
Other loans	**-**	-	**12,233,047**	12,904,956
Sub total	**481,791**	522,611	**301,166,949**	293,783,902
Total	**6,171,528**	6,100,462	**301,332,783**	293,959,182

MOVEMENT IN INDIVIDUAL AND COLLECTIVE ALLOWANCE FOR LOANS AND RECEIVABLES OTHER CUSTOMER	Bank (Rs.'000)		Group (RM.'000)	
As at	30-September-2017	31-December-2016	30-September-2017	31-December-2016
Individual Assessment Allowance				
Opening balance at 01 January	**15,408**	12,675	**121,894**	121,947
Allowances made during the period / year	**2,952**	2,733	**165,862**	242,459
Amounts written back in respect of recoveries	**-**	-	**(14,184)**	(34,740)
Amounts written off	**-**	-	**(149,065)**	(230,741)
Amounts transferred to allowances for impairment loss on foreclosed properties	**-**	-	**(264)**	(1,690)
Amount arising from acquisition of Public Bank Vietnam Limited	**-**	-	**-**	3,372
Exchange difference	**-**	-	**(10,969)**	21,287
Closing balance	**18,360**	15,408	**113,274**	121,894
Collective Assessment Allowance				
Opening balance at 01 January	**28,546**	19,814	**1,408,104**	1,510,637
Allowances made / reversed during the period / year	**935**	8,652	**192,728**	203,158
Amounts written off	**-**	-	**(237,246)**	(317,365)
Amount arising from acquisition of Public Bank Vietnam Limited	**-**	-	**-**	7,742
Exchange difference	**68**	80	**(4,854)**	3,932
Closing balance	**29,549**	28,546	**1,358,732**	1,408,104
Total impairment	**47,909**	43,954	**1,472,006**	1,529,998

DEPOSITS FROM CUSTOMERS - BY PRODUCTS	Bank (Rs.'000)		Group (RM.'000)	
As at	30-September-2017	31-December-2016	30-September-2017	31-December-2016
By product - Domestic Currency				
Demand deposits	**222,520**	216,997	**8,357**	7,799
Savings deposits	**90,440**	208,921	**5,936**	10,136
Fixed deposits	**965,537**	828,825	**34,237**	28,316
Other deposits	**7,175**	738	**247**	138
Sub total	**1,285,672**	1,255,481	**48,777**	46,389
By product - Foreign Currency				
Demand deposits	**80,825**	43,412	**47,227,238**	45,462,664
Savings deposits	**125,072**	129,532	**34,861,372**	32,492,067
Fixed deposits	**311,634**	131,495	**187,918,525**	180,154,360
Negotiable instruments of deposit	**-**	-	**21,976**	-
Money market deposits	**-**	-	**52,438,112**	51,735,008
Other deposits	**1,791**	3,865	**37,833**	83,080
Sub total	**519,322**	308,304	**322,505,056**	309,927,179
Total	**1,804,994**	1,563,785	**322,553,833**	309,973,568

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

For the period ended 30 September 2017

	Stated Capital / Assigned capital			Reserves		
	Ordinary Voting Shares	Ordinary Non-Voting Shares	Assigned Capital	Statutory Reserve Fund	FCBU Revaluation reserve	Retained earnings	Total Equity
Balance as at 01 January 2017 (opening balance)	**-**	**-**	**3,792,318**	**75,276**	**151,477**	**1,436,650**	**5,455,721**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**190,191**	**190,191**
Gain / (loss) on translation of FCBU	**-**	**-**	**-**	**-**	**6,059**	**-**	**6,059**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**6,059**	**190,191**	**196,250**
Transactions with equity holders / other equity movements:							
Transfers	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total transactions recorded directly in equity	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance as at 30 September 2017 (Closing Balance)	**-**	**-**	**3,792,318**	**75,276**	**157,536**	**1,626,841**	**5,651,971**

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

For the period ended 30 September 2017

	Stated Capital / Assigned capital		Reserves						
	Share Capital	Share Premium	Statutory Reserve Fund	Other Reserves	Retained Profits	Treasury Shares	Total Shareholders' Equity	Non-controlling Interests	Total Equity
Balance as at 01 January 2017 (opening balance)	**3,882,138**	**5,535,515**	**4,950,283**	**3,096,399**	**16,898,317**	**(149,337)**	**34,213,315**	**1,150,456**	**35,363,771**
Profit for the period	**-**	**-**	**-**	**-**	**3,984,567**	**-**	**3,984,567**	**57,047**	**4,041,614**
Other comprehensive (loss)/ income for the period	**-**	**-**	**-**	**(11,322)**	**-**	**-**	**(11,322)**	**(67,881)**	**(79,203)**
Total comprehensive (loss)/ income for the period	**-**	**-**	**-**	**(11,322)**	**3,984,567**	**-**	**3,973,245**	**(10,834)**	**3,962,411**
Transactions with owners / other equity movements :									
Transfer pursuant to Companies Act 2016	**5,535,515**	**(5,535,515)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transfer from Profit Equalisation Reserve of the Islamic banking institution	**-**	**-**	**-**	**(1)**	**1**	**-**	**-**	**-**	**-**
Transfer from statutory reserves	**-**	**-**	**(4,925,879)**	**-**	**4,925,879**	**-**	**-**	**-**	**-**
Transfer to regulatory reserves	**-**	**-**	**-**	**121,710**	**(121,710)**	**-**	**-**	**-**	**-**
Transfer to general reserves	**-**	**-**	**-**	**84,440**	**(84,440)**	**-**	**-**	**-**	**-**
Dividends paid	**-**	**-**	**-**	**-**	**(2,278,281)**	**-**	**(2,278,281)**	**(7,943)**	**(2,286,224)**
	5,535,515	**(5,535,515)**	**(4,925,879)**	**206,149**	**2,441,449**	**-**	**(2,278,281)**	**(7,943)**	**(2,286,224)**
Balance as at 30 September 2017 (Closing Balance)	**9,417,653**	**-**	**24,404**	**3,291,226**	**23,324,333**	**(149,337)**	**35,908,279**	**1,131,679**	**37,039,958**

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2017

	BANK (Rs.'000)	GROUP (RM.'000)
	30 September 2017	30 September 2017
Cash flows from Operating activities		
Profit Before Income Tax	**277,113**	**5,160,435**
Adjustment for:		
Depreciation and amortization	**21,849**	**159,907**
Net allowance for impairment on loans, advances and financing	**3,887**	**344,406**
Provision for retirement benefits	**2,566**	**-**
Dividend Income	**-**	**(2,738)**
Share of loss / (profit) after tax of equity accounted associated companies	**-**	**3,414**
Net gains on financial instruments	**-**	**(73,394)**
Impairment loss / (written back) on other assets	**-**	**2,378**
Other non-cash items	**-**	**(564)**
Change in operating assets	**(80,969)**	**(6,774,587)**
Change in operating liabilities	**(424,973)**	**11,998,177**
Tax expenses and zakat paid	**(79,244)**	**(1,025,851)**
Net cash generated/ (used in) from operating activities	**(279,771)**	**9,791,583**
Cash flows from investing activities		
Purchases of property plant and equipment	**(6,892)**	**(106,213)**
Proceeds from disposal of properties	**-**	**18,197**
Net (purchases) /sale of financial investments	**(510,707)**	**(3,852,108)**
Dividends received	**-**	**2,738**
Net cash used in investing activities	**(517,599)**	**(3,937,386)**
Cash flows from financing activities		
Dividends paid	**-**	**(2,286,224)**
Redemption of debt securities	**-**	**(3,000,000)**
Net (repayment) / drawdown of borrowings	**-**	**1,546,412**
Net proceeds from issuance of debt securities	**-**	**2,499,970**
Net cash used in financing activities	**-**	**(1,239,842)**
Net increase (decrease) in cash and cash equivalents	**(797,370)**	**4,614,355**
Cash and cash equivalents at the beginning of the year	**1,039,584**	**9,862,471**
Exchange differences on translation of opening balances	**6,059**	**(415,609)**
Cash and cash equivalents at end of the period	**248,273**	**14,061,217**
Cash and cash equivalents	**248,273**	**15,089,489**
Balances with banks with maturity more than three month	**-**	**(1,028,272)**
Cash and cash equivalents at end of the period	**248,273**	**14,061,217**

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

For the period ended 30 September 2017

	For the period ended 30 September 2017	For the period ended 30 September 2016	For the period ended 30 September 2017	For the period ended 30 September 2016
Profit for the period	**190,191**	133,431	**4,041,614**	3,768,166
Other comprehensive income / (loss)				
Foreign currency translation reserves :				
- Currency translation differences in respect of				
- Gain (loss) on translation of FCBU	**6,059**	6,309	**-**	-
- Foreign operations	**-**	-	**(456,842)**	(183,580)
- Net investment hedge	**-**	-	**290,734**	94,326
Revaluation reserves				
- Net gain in revaluation of financial investments available-for-sale	**-**	-	**123,485**	263,310
Hedging reserves				
- Net change in cash flow hedges	**-**	-	**(16,911)**	(61,274)
	6,059	6,309	**(59,534)**	112,782
Income tax relating to components of other comprehensive income/(loss)				
- Revaluation reserves	**-**	-	**(24,017)**	(55,872)
- Hedging reserves	**-**	-	**4,059**	14,706
	-	-	**(19,958)**	(41,166)
Share of Profit of equity accounted associate companies				
- Revaluation reserves	**-**	-	**289**	358
Other comprehensive income/ (loss) for the period net of tax	**6,059**	6,309	**(79,203)**	71,974
Total comprehensive income for the period	**196,250**	139,740	**3,962,411**	3,840,140
Total comprehensive income for the period attributable to:				
- Equity holders of the parent	**196,250**	139,740	**3,973,245**	3,834,888
- Non-controlling interests	**-**	-	**(10,834)**	5,252
	196,250	139,740	**3,962,411**	3,840,140

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

as at 30 September 2017

	As at 30 September 2017 Bank (Solo Basis)	As at 31 December 2016 Bank (Solo Basis)	As at 30 September 2017 Group	As at 31 December 2016 Group
Basel 111				
Regulatory Capital Adequacy				
Common Equity Tier 1 Capital	**5,332,608**	**N/A**	**30,070,365**	**29,855,972**
Total Tier 1 Capital	**5,332,608**	**N/A**	**32,079,807**	**32,006,965**
Total Capital	**5,362,116**	**N/A**	**39,711,155**	**40,205,199**
Total Risk - Weighted Assets	**6,743,392**	**N/A**	**258,090,002**	**251,661,879**
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital Ratio (Minimum Requirement : 5.75%)	**79.08%**	**N/A**	**11.65%**	**11.86%**
Total Tier 1 Capital Ratio (Minimum Requirement : 7.25%)	**79.08%**	**N/A**	**12.43%**	**12.72%**
Total Capital Ratio (Minimum Requirement : 11.25%)	**79.52%**	**N/A**	**15.39%**	**15.98%**
Basel 11				
Regulatory Capital Adequacy				
Core Capital (Tier 1 Capital)	**N/A**	**4,440,654**		
Total Risk - Weighted Assets	**N/A**	**7,118,273**		
Total Capital Base	**N/A**	**4,469,198**		
Core Capital Adequacy Ratio, % of Risk Weighted Assets (Minimum Requirement, 5%)	**N/A**	**62.38%**		
Total Capital Adequacy Ratio, % of Risk Weighted Assets (Minimum Requirement, 10%)	**N/A**	**62.78%**		
Assets Quality (Quality of Loan Portfolio)				
Gross Non - Performing Advances Ratio, % (Without Interest in Suspense)	**0.70%**	**0.51%**		
Net Non - Performing Advances Ratio, % (net of interest in suspense and provision)	**-0.25%**	**-0.34%**		
Profitability				
Interest Margin, %	**9.60%**	**7.86%**		
Return on Assets (before Tax). %	**4.69%**	**3.85%**		
Return on Equity, %	**4.56%**	**3.33%**		
Regulatory Liquidity				
Statutory Liquid Assets	**2,081,351**	**1,544,949**		
Statutory Liquid Assets Ratio,% (Minimum Requirement, 20%)				
Domestic Banking unit	**83.99%**	**111.45%**		
Off-Shore Banking Unit	**86.01%**	**80.13%**		

CERTIFICATION:

We, the undersigned, being the Country Head and the Head of Finance of Public Bank Berhad Sri Lanka branch certify jointly 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
29 November 2017

Ajith Dhammika Lanerolle
(Sgd.) Head of Finance
29 November 2017

PUBLIC BANK BERHAD
SRI LANKA BRANCH

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