

PUBLIC BANK BERHAD

No. 340, R.A. De Mel Mawatha, Colombo 03. E mail : pbbstk@publicbank.com.lk Telephone : +94 112 576 289 - 92

FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019

AAA/STABLE/P1
RAM Ratings

STATEMENT OF FINANCIAL POSITION

As at	BANK (Rs.'000)		GROUP (RM.'000)	
	30-September-2019	31-December-2018 (Audited)	30-September-2019	31-December-2018 (Audited)
ASSETS				
Cash and cash equivalents	1,047,240	871,016	10,134,157	14,740,218
Statutory deposit with Central Bank of Sri Lanka / other Central Banks	53,775	111,642	11,139,116	10,279,227
Reverse repurchases agreements	68,012	-	1,025,524	200,881
Derivative financial instruments	-	-	91,046	185,891
Financial assets at fair value through profit or loss	-	-	2,902,629	2,380,134
Financial investments at fair value through other comprehensive income	20,351	19,351	40,484,596	42,342,483
Loans, advances and financing	6,916,072	6,877,469	325,232,431	315,259,166
Financial investments at amortized cost	1,212,762	1,194,626	28,250,726	27,018,444
Investments in Associates	-	-	74,694	70,416
Property, Plant & Equipment	82,602	151,267	1,485,169	1,567,199
Right-of-use assets	-	-	1,041,273	-
Investment properties	-	-	745,312	719,207
Intangible assets	117,964	3,508	2,468,898	2,454,755
Deferred Tax Assets	4,680	4,680	78,035	81,374
Other Assets	71,495	26,371	2,474,287	2,393,887
TOTAL ASSETS	9,594,953	9,259,930	427,627,893	419,693,282
LIABILITIES				
Deposits from banks	769,811	434,849	11,145,229	9,483,154
Deposits from customers	2,374,445	2,543,579	347,208,799	339,159,892
Obligations on securities sold under repurchase agreements	-	-	500,127	4,045,605
Derivative financial instruments	-	-	302,778	297,664
Other Borrowings	-	-	5,822,649	5,714,595
Debt securities issued and other borrowed funds	-	-	12,269,894	13,436,794
Current Tax Liabilities	72,235	73,322	472,611	341,697
Retirement Benefit Obligation	37,317	33,439	-	-
Deferred Tax Liabilities	-	-	172,111	141,948
Lease liabilities	-	-	1,114,117	-
Other Liabilities	144,961	137,219	4,837,557	4,975,470
TOTAL LIABILITIES	3,398,769	3,222,408	383,845,872	377,596,819
Equity				
Share capital/Assigned capital	3,792,318	3,792,318	9,417,653	9,417,653
Statutory reserve fund	100,683	100,683	36,682	36,682
Retained earnings	2,051,628	1,890,530	29,465,468	28,317,913
Total other reserves	251,555	253,991	3,685,215	3,200,808
Equity attributable to equity holders of the Bank	6,196,184	6,037,522	42,605,018	40,973,056
Non-controlling interests	-	-	1,177,003	-
Total Equity	6,196,184	6,037,522	43,782,021	42,096,463
TOTAL LIABILITIES AND EQUITY	9,594,953	9,259,930	427,627,893	419,693,282
Contingent liabilities and commitments				
Contingencies	2,645,926	2,821,175	93,531,535	96,368,336
Commitments	2,086,140	2,352,904	3,335,275	3,199,016
	559,786	468,271	90,196,260	93,169,320
Memorandum Information				
Number of Employees	62	62	19,157	18,721
Number of Branches	3	3	269	270

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

As at	BANK (Rs.'000)		GROUP (RM.'000)	
	For the period ended 30 September 2019	For the period ended 30 September 2018	For the period ended 30 September 2019	For the period ended 30 September 2018
Interest Income	763,860	698,156	12,296,655	12,065,681
Less: Interest Expenses	142,896	130,091	6,669,827	6,411,081
Net Interest Income	620,964	568,065	5,626,828	5,654,600
Net Income From Islamic Banking Business	-	-	842,727	793,452
Net Interest Income and net Income from Islamic Banking Business	620,964	568,065	6,469,555	6,448,052
Fee and Commission Income	17,629	19,650	1,905,556	1,983,994
Less : Fee and Commission Expenses	4,810	5,248	581,359	636,764
Net Fee and Commission Income	12,819	14,402	1,324,197	1,347,230
Net Trading Income	12,159	19,161	206,066	205,977
Other Operating Income	7,085	7,396	252,347	131,537
Total Operating Income	653,027	609,024	8,252,195	8,132,796
(Allowance)/ Writeback of allowance for impairment on loans, advances and financing	(21,708)	(2,923)	(302,516)	(325,072)
Expected credit losses	-	-	191,291	190,242
Impaired loans and financing recovered	-	-	2,252	(1,922)
Others - net	-	-	2,252	(1,922)
Net Operating Income	631,319	606,101	8,143,222	7,996,044
Personnel Expenses	116,723	111,951	2,035,204	1,896,088
Depreciation and amortization	24,578	21,243	256,877	167,782
Premises, Equipment and establishment Expenses	91,262	68,397	267,706	316,108
Other Overhead Expenses	37,210	31,846	274,300	307,346
Operating Profit before VAT, NBT on financial service and Debt Repayment Levy	361,546	372,664	5,309,135	5,308,720
Value Added Tax (VAT) on Financial Services	57,538	59,390	-	-
National Building Tax (NBT) on Financial Services	7,034	7,621	-	-
Debt Repayment Levy (DRL)	30,806	-	-	-
Operating Profit after VAT, NBT on financial service and Debt Repayment Levy	266,168	305,653	5,309,135	5,308,720
Shares of profit / (loss) after tax of equity accounted associated companies	-	-	2,516	2,726
Profit before Tax	266,168	305,653	5,311,651	5,311,446
Income Tax expenses	105,070	107,199	1,152,432	1,071,575
Profit for the period	161,098	198,454	4,159,219	4,239,871
Attributable to:				
Equity Holders of the Parent	161,098	198,454	4,105,691	4,185,255
Non-Controlling Interest	-	-	53,528	54,616
	161,098	198,454	4,159,219	4,239,871
Earnings per RM 1.00 share:				
- basic / diluted (sen)	-	-	105.8	108.2

As at	Bank (Rs.'000)		Group (RM.'000)	
	30-September-2019	31-December-2018	30-September-2019	31-December-2018
Gross loans, advances and financing at amortised cost	7,011,834	6,954,971	327,237,700	317,301,579
Less : Allowances for impairment	-	-	-	-
Expected credit losses	(26,268)	(26,921)	(1,090,813)	(1,086,325)
- stage 1	(9,941)	(3,966)	(512,337)	(546,221)
- stage 2	(59,553)	(46,615)	(402,119)	(409,867)
- stage 3	-	-	-	-
Net loans, advances and financing receivables	6,916,072	6,877,469	325,232,431	315,259,166

As at	Bank (Rs.'000)		Group (RM.'000)	
	30-September-2019	31-December-2018	30-September-2019	31-December-2018
Overdrafts	872,074	950,861	11,318,329	11,558,286
Housing loans / financing	1,047,173	1,139,058	118,995,982	112,302,675
Other term loans / financing	4,275,718	3,961,864	123,113,069	121,090,161
Credit card receivables	-	-	2,020,248	2,064,840
Bills receivables	335,272	315,132	119,693	155,074
Vehicle loans	430,158	535,103	2,020,742	1,971,073
Staff loans	51,440	52,953	51,355,584	50,487,731
Hire purchase receivables	-	-	202,791	254,809
Trust receipts	-	-	3,631,796	3,803,866
Claims on customers under acceptance credits	-	-	10,503,191	10,483,874
Revolving credits	-	-	3,956,275	3,129,190
Syndicated term loans / financing	-	-	-	-
	7,011,834	6,954,971	327,237,700	317,301,579

As at	Bank (Rs.'000)		Group (RM.'000)	
	30-September-2019	31-December-2018	30-September-2019	31-December-2018
Opening balance at 01 January 2019	77,502	74,750	2,042,413	2,097,362
Net expected credit losses during the period	18,268	3,265	-	-
Reversal of write-off during the period	-	(798)	-	-
Loans, advances and financing derecognised (other than write-off)	-	-	(133,084)	(174,778)
New loans, advances and financing originated	-	-	216,942	304,228
Net remeasurement due to changes in credit risk	-	-	218,173	284,852
Modifications to contractual cash flows	-	-	483	5,647
Amounts written off	-	-	(341,414)	(482,440)
Amounts transferred to allowances for impairment	-	-	(1,256)	(36)
Loss on foreclosed properties	-	-	4,012	7,578
Exchange difference	(8)	285	2,005,269	2,042,413
Closing balance as at 30 September 2019	95,762	77,502	2,005,269	2,042,413

As at	Bank (Rs.'000)		Group (RM.'000)	
	30-September-2019	31-December-2018	30-September-2019	31-December-2018
Demand deposits	300,629	436,130	50,228,173	50,023,160
Savings deposits	226,887	307,304	38,125,707	37,034,511
Fixed deposits	1,834,340	1,782,920	197,834,741	196,788,732
Negotiable instruments of deposit	-	-	72,901	133,528
Call deposits	7,610	13,564	60,905,863	55,129,516
Money market deposits	-	-	41,414	50,445
Other deposits	4,979	3,661	-	-
Total	2,374,445	2,543,579	347,208,799	339,159,892

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

For the period ended 30 September 2019	Stated Capital / Assigned capital				Reserves		
	Ordinary Voting Shares	Ordinary Non-Voting Shares	Assigned Capital	Statutory Reserve Fund	FCBU Revaluation reserve	Other reserves	Total Equity
Balance as at 01 January 2019 - as previously stated	-	-	3,792,318	100,683	236,669	17,322	1,890,530
- effect of changes in accounting policies	-	-	-	-	-	-	-
At 01 January 2019, as restated	-	-	3,792,318	100,683	236,669	17,322	1,890,530
Profit for the period	-	-	-	-	-	161,098	161,098
Actuarial gain on defined benefit plans	-	-	-	-	-	-	-
Gain on translation of FCBU	-	-	-	-	(2,435)	-	(2,435)
Deferred tax expense on other comprehensive income	-	-	-	-	-	-	-
Net Change in fair value of equity instruments	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(2,435)	161,098	158,663
Transactions with equity holders, recognised directly in equity:							
Transfer to Statutory Reserve Fund	-	-	-	-	-	-	-
Total transactions recorded directly in equity	-	-	-	-	-	-	-
Balance as at 30 September 2019 (Closing Balance)	-	-	3,792,318	100,683	234,233	17,322	2,051,628

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2019

For the period ended 30 September 2019	BANK (Rs.'000)		GROUP (RM.'000)	
	For the period ended 30 September 2019	For the period ended 30 September 2018	For the period ended 30 September 2019	For the period ended 30 September 2018
Cash flows from Operating activities				
Profit Before Income Tax	266,168	305,653	5,311,651	5,311,446
Adjustment for:				
Depreciation and amortisation	24,578	21,243	256,877	167,782
Allowance for impaired loans and advances	21,708	2,923	302,516	325,072
Share of loss after tax of equity accounted associated companies	-	-	(2,516)	(2,726)
Provision for retirement benefits	5,157	4,437	(1,584)	(1,078)
Dividend income	-	-	-	-
Net gains arising from disposal of financial investments at fair value through other comprehensive income	-	-	(112,318)	(40,074)
Allowances for impairment on other assets	-	-	(2,252)	1,922
Other non-cash items	-	-	(39,863)	(8,918)
Change in statutory deposits with Central Banks	57,867	(642)	(12,688,808)	(11,424,679)
Change in operating assets	(106,344)	(437,691)	6,135,384	15,983,116
Increase / (Decrease) in operating liabilities	442,704	586,044	(840,886)	10,311,863
Income tax expenses and zakat paid	(106,157)	(116,149)	(1,017,301)	(1,284,760)
Gratuity paid	(1,279)	-	-	-
Net cash generated from operating activities	335,268	469,895	(1,858,187)	9,027,103
Cash flows from investing activities				
Net (Purchase of) / Proceeds from sale of Sri Lanka Government Securities	(86,149)	-	(130,799)	(123,903)
Acquisition of property, plant and equipment	53,566	(112,605)	-	(24,683)
Addition to investment properties	-	-	25,690	8,403
Proceeds from the sale of property, plant and equipment	-	-	-	-
Acquisition of intangible assets	(123,935)	-	-	-
Net (Purchase) / sale of financial investments	-	(306,726)	1,202	