

**INTERIM FINANCIAL STATEMENTS**  
**For the six months ended June 30, 2023**

# Financial review for the six months ended June 30, 2023

## ComBank Group remains resilient in volatile first half of 2023

- Gross Income improves by 40.29% to Rs 167.668 Bn.
- Interest income up 71% to Rs 150.8 Bn, but interest expenses surge 139% to Rs 113.3 Bn.
- Appreciation of Rupee continues to impact loan book, deposits and assets

The Commercial Bank of Ceylon Group has reported gross income of Rs 167.668 billion including a growth in interest income to Rs 150.812 billion for the first half of 2023, achieving healthy topline growths of 40.29% and 71.15% respectively in a period of significant volatility for the banking sector.

Comprising of Sri Lanka's biggest private sector bank, its subsidiaries and an associate, the Group also improved fee and commission income by 22.27% to Rs 14.377 billion, net fee and commission income by 19.30% to Rs 10.591 billion, and net other operating income by 236.42% to Rs 17.086 billion from a loss of Rs 12.524 billion recorded for the first half of 2022.

However, with interest expenses for the six months rising by Rs 65.958 billion or 139.14% to Rs 113.362 billion, the Group's net interest income reduced by 8.01% to Rs 37.450 billion. The Group also recorded a net loss from trading of Rs 15.531 billion, as a result of realized and unrealized losses from forwards, spots and swap transactions owing to the appreciation of the Rupee in the review period, in contrast to a net gain of Rs 32.102 billion from trading in the corresponding six months of the previous year.

Total operating income of the Group declined by 27.03% to Rs 50.520 billion but net operating income for the period under review improved by 9.69% to Rs 37.309 billion with the Group making a provision of Rs 13.211 billion for impairment charges and other losses for the six months. Impairment charges for 2022 included a substantial additional provision made for foreign currency denominated Government Securities owing to the downgrading of Sri Lanka's sovereign rating. Total operating expenses increased by 18.04% to Rs 21.285 billion, with personnel expenses, depreciation and amortization and other operating expenses rising by 17.86%, 20.90% and 17.56% respectively.

A revaluation of the Group's assets in foreign currency consequent to the appreciation of the Rupee in the six months under review resulted in total assets of the Group reducing by Rs 37 billion or 1.50% to Rs 2.462 trillion as at 30<sup>th</sup> June 2023. Gross loans and advances of the Group also reduced by 4.71% over the six months to Rs 1.188 trillion, partly due to the revaluation impact on foreign currency denominated loans and advances as a result of the appreciation of the Rupee. Total deposits of the Group stood at Rs

1.959 trillion as at 30<sup>th</sup> June 2023, with Rupee-denominated deposits increasing by Rs 48.47 billion since end 2022, but the value of deposits denominated in foreign currency reducing significantly due to the appreciation of the Rupee.

The Group reported an operating profit before taxes on financial services of Rs 16.024 billion for the six months, a marginal improvement of 0.26%. Taxes on financial services reduced by 25.70% to Rs 1.934 billion, resulting in profit before income tax increasing by 5.36% to Rs 14.092 billion. With income tax expenses for the period up by 38.21% to Rs 5.802 billion as a result of an increase in the income tax rate to 30% from 24% for the Group's Sri Lankan operations, the Group's net profit of Rs 8.290 billion represented a decline of 9.67%. Notably the Group converted a net loss of Rs 2.597 billion for the second quarter of last year to a net profit of Rs 3.931 billion for the second quarter of 2023.

Taken separately, Commercial Bank of Ceylon PLC reported a profit before tax of Rs 12.971 billion for the six months, an improvement of 3.14% while profit after tax for the period was down by 12.55% to Rs 7.514 billion.

In other key indicators, the Bank's Tier 1 Capital Ratio and Total Capital Ratio stood at 12.374% and 15.550% respectively as at 30<sup>th</sup> June 2023, both above the statutory minimum ratios of 10% and 14% respectively. The Bank's net interest margin reduced to 3.01% for the six months under review compared to 3.74% reported for 2022. The Bank's return on assets (before taxes) stood at 1.09% and return on equity at 7.49% for the period reviewed.

In terms of asset quality, the Bank's impaired loans (Stage 3) ratio stood at 6.28% compared to 5.25% at end 2022, while its impairment (Stage 3) to Stage 3 loans ratio stood at 39.70% as at 30<sup>th</sup> June 2023 from 39.60% at end 2022. In terms of liquidity, the Bank's consolidated liquid assets ratio (Sri Lankan Operations) stood at 38.65%, well above the minimum requirement of 20%.

Sri Lanka's first 100% carbon neutral bank and the first Sri Lankan bank to be listed among the Top 1000 Banks of the World, Commercial Bank operates a network of 271 branches and 957 automated machines in Sri Lanka. Commercial Bank is the largest lender to Sri Lanka's SME sector and is a leader in digital innovation in the country's Banking sector. The Bank's overseas operations encompass Bangladesh, where the Bank operates 20 outlets; Myanmar, where it has a Microfinance company in Nay Pyi Taw; and the Maldives, where the Bank has a fully-fledged Tier I Bank with a majority stake.

## INCOME STATEMENT - GROUP

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	For the six months ended			For the quarter ended		
	30.06.2023 Rs.'000	30.06.2022 Rs.'000	Change %	30.06.2023 Rs.'000	30.06.2022 Rs.'000	Change %
<b>Gross income</b>	<b>167,668,267</b>	119,517,450	40.29	<b>83,519,041</b>	64,944,217	28.60
Interest income	150,811,644	88,116,673	71.15	74,872,632	50,269,825	48.94
Less : Interest expense	113,361,974	47,404,088	139.14	56,398,189	28,380,265	98.72
<b>Net interest income</b>	<b>37,449,670</b>	40,712,585	(8.01)	<b>18,474,443</b>	21,889,560	(15.60)
Fee and commission income	14,377,446	11,758,745	22.27	7,076,778	6,365,740	11.17
Less: Fee and commission expense	3,786,488	2,881,243	31.42	1,887,996	1,575,925	19.80
<b>Net fee and commission income</b>	<b>10,590,958</b>	8,877,502	19.30	<b>5,188,782</b>	4,789,815	8.33
Net gains/(losses) from trading	(15,531,353)	32,101,899	(148.38)	(6,555,889)	8,560,357	(176.58)
Net gains/(losses) from derecognition of financial assets	924,510	64,262	1,338.66	587,244	49,119	1,095.55
Net other operating income	17,086,020	(12,524,129)	236.42	7,538,276	(300,824)	2,605.88
<b>Total operating income</b>	<b>50,519,805</b>	69,232,119	(27.03)	<b>25,232,856</b>	34,988,027	(27.88)
Less : Impairment charges and other losses	13,210,963	35,218,619	(62.49)	6,413,788	29,258,063	(78.08)
<b>Net operating income</b>	<b>37,308,842</b>	34,013,500	9.69	<b>18,819,068</b>	5,729,964	228.43
<b>Less: Expenses</b>	<b>21,284,794</b>	18,031,447	18.04	<b>10,607,104</b>	9,310,867	13.92
Personnel expenses	11,296,515	9,584,347	17.86	5,684,029	4,972,094	14.32
Depreciation and amortisation	2,084,338	1,724,022	20.90	1,020,578	906,117	12.63
Other operating expenses	7,903,941	6,723,078	17.56	3,902,497	3,432,656	13.69
<b>Operating profit/(loss) before Taxes on financial services</b>	<b>16,024,048</b>	15,982,053	0.26	<b>8,211,964</b>	(3,580,903)	329.33
Less: Taxes on financial services	1,933,968	2,602,781	(25.70)	862,074	(552,444)	256.05
<b>Operating profit/(loss) after Taxes on financial services</b>	<b>14,090,080</b>	13,379,272	5.31	<b>7,349,890</b>	(3,028,459)	342.69
Add/(less): Share of profit/(loss) of associate, net of tax	2,352	(3,476)	167.66	1,107	(1,607)	168.89
<b>Profit/(loss) before income tax</b>	<b>14,092,432</b>	13,375,796	5.36	<b>7,350,997</b>	(3,030,066)	342.60
Less : Income tax expense/(reversal)	5,801,958	4,198,046	38.21	3,419,553	(433,112)	889.53
<b>Profit/(loss) for the period</b>	<b>8,290,474</b>	9,177,750	(9.67)	<b>3,931,444</b>	(2,596,954)	251.39
<b>Profit attributable to:</b>						
Equity holders of the Bank	7,966,526	8,940,996	(10.90)	3,750,123	(2,743,585)	236.69
Non-controlling interest	323,948	236,754	36.83	181,321	146,631	23.66
<b>Profit for the period</b>	<b>8,290,474</b>	9,177,750	(9.67)	<b>3,931,444</b>	(2,596,954)	251.39
<b>Earnings per share (EPS)</b>						
Basic earnings per ordinary share (Rs.)	6.07	7.21	(15.81)	2.86	(2.21)	229.41
Diluted earnings per ordinary share (Rs.)	6.07	7.21	(15.81)	2.86	(2.21)	229.41

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - GROUP

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	For the six months ended			For the quarter ended		
	30.06.2023 Rs.'000	30.06.2022 Rs.'000	Change %	30.06.2023 Rs.'000	30.06.2022 Rs.'000	Change %
<b>Profit for the period</b>	<b>8,290,474</b>	<b>9,177,750</b>	<b>(9.67)</b>	<b>3,931,444</b>	<b>(2,596,954)</b>	<b>251.39</b>
<b>Other comprehensive income, net of tax</b>						
<b>Items that will never be reclassified to profit or loss</b>						
Net change in fair value of investments in equity	(13,942)	(225,082)	93.81	(10,448)	(23,579)	55.69
Change in fair value of investments in equity at fair value through other comprehensive income	(13,942)	(225,082)	93.81	(10,448)	(23,579)	55.69
Transfer of fair value losses o/a reclassification of debt instruments from fair value through other comprehensive income to amortised cost, net of tax	-	26,481,256	(100.00)	-	26,481,256	(100.00)
Gain on disposal of investments in equity instruments	-	7,373	(100.00)	-	-	-
Share of other comprehensive income/(expense) of associate, net of tax	203	(1,322)	115.36	(30)	(420)	92.86
<b>Items that are or may be reclassified to profit or loss</b>						
Net gains/(losses) arising from translating the Financial Statements of foreign operations	(13,692,351)	23,375,604	(158.58)	(4,914,364)	7,618,300	(164.51)
Net gains/(losses) on investment in financial assets at fair value through other comprehensive income	2,941,161	(16,433,757)	117.90	1,643,977	(744,116)	320.93
Fair value gains/(losses) that arose during the period, net of tax	3,588,318	(17,924,064)	120.02	2,055,048	(706,785)	390.76
Fair value (gains)/losses realised to the Income Statement on disposal, net of tax	(647,157)	(48,839)	(1,225.08)	(411,071)	(37,331)	(1,001.15)
Fair value gains/(losses) recycled to the Income Statement as impairment, net of tax	-	1,539,146	(100.00)	-	-	-
Cash flow hedges - effective portion of changes in fair value, net of tax	(36,554)	60,630	(160.29)	-	51,100	(100.00)
Other comprehensive income/(expense) for the period, net of taxes	(10,801,483)	33,264,702	(132.47)	(3,280,865)	33,382,541	(109.83)
<b>Total comprehensive income/(expense) for the period</b>	<b>(2,511,009)</b>	<b>42,442,452</b>	<b>(105.92)</b>	<b>650,579</b>	<b>30,785,587</b>	<b>(97.89)</b>
<b>Attributable to:</b>						
Equity holders of the Bank	(2,225,221)	40,753,915	(105.46)	667,534	29,992,537	(97.77)
Non-controlling interest	(285,788)	1,688,537	(116.93)	(16,955)	793,050	(102.14)
<b>Total comprehensive income/(expense) for the period</b>	<b>(2,511,009)</b>	<b>42,442,452</b>	<b>(105.92)</b>	<b>650,579</b>	<b>30,785,587</b>	<b>(97.89)</b>

## INCOME STATEMENT - BANK

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	For the six months ended			For the quarter ended		
	30.06.2023	30.06.2022	Change	30.06.2023	30.06.2022	Change
	(Audited) Rs.'000	(Audited) Rs.'000	%	Rs.'000	Rs.'000	%
<b>Gross income</b>	<b>164,914,484</b>	<b>117,499,318</b>	<b>40.35</b>	<b>82,123,315</b>	<b>63,725,794</b>	<b>28.87</b>
Interest income	148,457,881	86,395,659	71.83	73,696,742	49,236,483	49.68
Less : Interest expense	112,530,947	46,968,692	139.59	55,977,820	28,104,507	99.18
<b>Net interest income</b>	<b>35,926,934</b>	<b>39,426,967</b>	<b>(8.88)</b>	<b>17,718,922</b>	<b>21,131,976</b>	<b>(16.15)</b>
Fee and commission income	13,967,767	11,439,879	22.10	6,886,765	6,180,820	11.42
Less: Fee and commission expense	3,741,418	2,859,416	30.85	1,866,035	1,562,590	19.42
<b>Net fee and commission income</b>	<b>10,226,349</b>	<b>8,580,463</b>	<b>19.18</b>	<b>5,020,730</b>	<b>4,618,230</b>	<b>8.72</b>
Net gains/(losses) from trading	(15,531,353)	32,101,899	(148.38)	(6,555,889)	8,560,357	(176.58)
Net gains/(losses) from derecognition of financial assets	924,510	64,262	1,338.66	587,244	49,119	1,095.55
Net other operating income	17,095,679	(12,502,381)	236.74	7,508,453	(300,985)	2,594.63
<b>Total operating income</b>	<b>48,642,119</b>	<b>67,671,210</b>	<b>(28.12)</b>	<b>24,279,460</b>	<b>34,058,697</b>	<b>(28.71)</b>
Less : Impairment charges and other losses	13,102,435	34,960,351	(62.52)	6,462,414	29,091,260	(77.79)
<b>Net operating income</b>	<b>35,539,684</b>	<b>32,710,859</b>	<b>8.65</b>	<b>17,817,046</b>	<b>4,967,437</b>	<b>258.68</b>
<b>Less: Expenses</b>	<b>20,643,327</b>	<b>17,551,433</b>	<b>17.62</b>	<b>10,329,471</b>	<b>9,036,710</b>	<b>14.31</b>
Personnel expenses	10,906,424	9,289,213	17.41	5,497,726	4,804,873	14.42
Depreciation and amortisation	2,079,707	1,704,118	22.04	1,029,249	888,749	15.81
Other operating expenses	7,657,196	6,558,102	16.76	3,802,496	3,343,088	13.74
<b>Operating profit/(loss) before Taxes on financial services</b>	<b>14,896,357</b>	<b>15,159,426</b>	<b>(1.74)</b>	<b>7,487,575</b>	<b>(4,069,273)</b>	<b>284.00</b>
Less: Taxes on financial services	1,925,238	2,583,556	(25.48)	853,344	(556,443)	253.36
<b>Operating profit/(loss) after Taxes on financial services</b>	<b>12,971,119</b>	<b>12,575,870</b>	<b>3.14</b>	<b>6,634,231</b>	<b>(3,512,830)</b>	<b>288.86</b>
Less : Income tax expense/(reversal)	5,457,607	3,983,655	37.00	3,211,792	(557,428)	676.18
<b>Profit/(loss) for the period</b>	<b>7,513,512</b>	<b>8,592,215</b>	<b>(12.55)</b>	<b>3,422,439</b>	<b>(2,955,402)</b>	<b>215.80</b>
<b>Earnings per share (EPS)</b>						
Basic earnings per ordinary share (Rs.)	5.72	6.93	(17.46)	2.61	(2.38)	209.66
Diluted earnings per ordinary share (Rs.)	5.72	6.93	(17.46)	2.61	(2.38)	209.66

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - BANK

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	For the six months ended			For the quarter ended		
	30.06.2023	30.06.2022	Change	30.06.2023	30.06.2022	Change
	(Audited) Rs.'000	(Audited) Rs.'000	%	Rs.'000	Rs.'000	%
<b>Profit/(loss) for the period</b>	<b>7,513,512</b>	<b>8,592,215</b>	<b>(12.55)</b>	<b>3,422,439</b>	<b>(2,955,402)</b>	<b>215.80</b>
<b>Other comprehensive income</b>						
<b>Items that will never be reclassified to profit or loss</b>						
Net change in fair value on investments in equity	(13,942)	(225,082)	93.81	(10,448)	(23,579)	55.69
Change in fair value on investments in equity at fair value through other comprehensive income	(13,942)	(225,082)	93.81	(10,448)	(23,579)	55.69
Transfer of fair value losses o/a reclassification of debt instruments from fair value through other comprehensive income to amortised cost, net of tax	-	26,481,256	(100.00)	-	26,481,256	(100.00)
Gain on disposal of investments in equity instruments	-	7,373	(100.00)	-	-	-
<b>Items that are or may be reclassified to profit or loss</b>						
Net gains/(losses) arising from translating the Financial Statements of foreign operations	(12,272,058)	19,913,148	(161.63)	(4,452,921)	6,091,726	(173.10)
Net gains/(losses) on investment in financial assets at fair value through other comprehensive income	2,934,322	(16,420,021)	117.87	1,643,227	(732,060)	324.47
Fair value gains/(losses) that arose during the period, net of tax	3,581,479	(17,910,328)	120.00	2,054,298	(694,729)	395.70
Fair value (gains)/losses realised to the Income Statement on disposal, net of tax	(647,157)	(48,839)	(1,225.08)	(411,071)	(37,331)	(1,001.15)
Fair value gains/(losses) recycled to the Income Statement as impairment, net of tax	-	1,539,146	(100.00)	-	-	-
Cash flow hedges - effective portion of changes in fair value, net of tax	(36,554)	60,630	(160.29)	-	51,100	(100.00)
<b>Other comprehensive income/(expense) for the period, net of taxes</b>	<b>(9,388,232)</b>	<b>29,817,304</b>	<b>(131.49)</b>	<b>(2,820,142)</b>	<b>31,868,443</b>	<b>(108.85)</b>
<b>Total comprehensive income for the period</b>	<b>(1,874,720)</b>	<b>38,409,519</b>	<b>(104.88)</b>	<b>602,297</b>	<b>28,913,041</b>	<b>(97.92)</b>

As at	Group			Bank		
	30.06.2023	31.12.2022	Change	30.06.2023	31.12.2022	Change
	( Audited )	( Audited )		( Audited )	( Audited )	
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
<b>ASSETS</b>						
Cash and cash equivalents	112,544,293	151,109,490	(25.52)	110,088,365	149,393,611	(26.31)
Balances with Central Banks	61,871,953	78,597,120	(21.28)	53,719,053	66,493,499	(19.21)
Placements with banks	53,920,816	96,082,937	(43.88)	53,711,794	95,899,645	(43.99)
Securities purchased under resale agreements	3,378,561	1,517,308	122.67	3,378,561	1,517,308	122.67
Derivative financial assets	7,032,972	8,345,091	(15.72)	7,032,972	8,345,091	(15.72)
Financial assets recognised through profit or loss - measured at fair value	50,791,983	24,873,057	104.20	50,791,983	24,873,057	104.20
Financial assets at amortised cost - Loans and advances to other customers	1,096,826,774	1,155,492,527	(5.08)	1,071,346,946	1,130,442,579	(5.23)
Financial assets at amortised cost - Debt and other financial instruments	740,197,253	761,650,234	(2.82)	705,929,076	725,935,299	(2.76)
Financial assets measured at fair value through other comprehensive income	230,826,265	118,652,257	94.54	230,097,911	117,056,240	96.57
Investments in subsidiaries	-	-	-	5,808,429	5,808,429	-
Investment in associate	57,856	55,302	4.62	44,331	44,331	-
Property, plant and equipment and right-of-use assets	26,649,043	27,446,607	(2.91)	24,608,919	25,425,452	(3.21)
Investment properties	424,550	80,350	428.38	-	-	-
Intangible assets	4,042,878	4,113,200	(1.71)	3,500,095	3,563,120	(1.77)
Deferred tax assets	30,251,431	30,727,213	(1.55)	29,844,651	30,301,203	(1.51)
Other assets	43,351,569	40,811,211	6.22	43,100,720	40,699,168	5.90
<b>Total Assets</b>	<b>2,462,168,197</b>	<b>2,499,553,904</b>	<b>(1.50)</b>	<b>2,393,003,806</b>	<b>2,425,798,032</b>	<b>(1.35)</b>
<b>LIABILITIES</b>						
Due to banks	50,020,369	64,971,170	(23.01)	49,463,863	65,130,061	(24.05)
Derivative financial liabilities	5,309,026	2,880,667	84.30	5,309,026	2,880,667	84.30
Securities sold under repurchase agreements	133,588,179	97,726,435	36.70	133,599,880	97,726,435	36.71
Financial liabilities at amortised cost - due to depositors	1,958,690,813	1,977,743,661	(0.96)	1,900,074,880	1,914,359,494	(0.75)
Financial liabilities at amortised cost - other borrowings	11,481,198	16,150,356	(28.91)	11,481,198	16,150,356	(28.91)
Current tax liabilities	23,513,300	24,916,074	(5.63)	22,992,243	24,475,319	(6.06)
Deferred tax liabilities	433,316	437,123	(0.87)	-	-	-
Other liabilities	36,253,554	40,354,877	(10.16)	35,754,190	39,860,573	(10.30)
Due to subsidiaries	-	-	-	76,893	115,484	(33.42)
Subordinated liabilities	33,262,957	61,400,967	(45.83)	33,262,957	61,400,967	(45.83)
<b>Total Liabilities</b>	<b>2,252,552,712</b>	<b>2,286,581,330</b>	<b>(1.49)</b>	<b>2,192,015,130</b>	<b>2,222,099,356</b>	<b>(1.35)</b>



As at	Group			Bank		
	30.06.2023	31.12.2022	Change	30.06.2023	31.12.2022	Change
	( Audited )	( Audited )		( Audited )	( Audited )	
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
<b>EQUITY</b>						
Stated capital	62,891,772	58,149,621	8.16	62,891,772	58,149,621	8.16
Statutory reserves	12,079,670	12,079,670	-	11,352,858	11,352,858	-
Retained earnings	9,216,216	6,790,304	35.73	7,565,019	5,592,121	35.28
Other reserves	121,617,007	131,845,571	(7.76)	119,179,027	128,604,076	(7.33)
<b>Total equity attributable to equity holders of the Bank</b>	<b>205,804,665</b>	<b>208,865,166</b>	<b>(1.47)</b>	<b>200,988,676</b>	<b>203,698,676</b>	<b>(1.33)</b>
<b>Non-controlling Interest</b>	<b>3,810,820</b>	<b>4,107,408</b>	<b>(7.22)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Equity</b>	<b>209,615,485</b>	<b>212,972,574</b>	<b>(1.58)</b>	<b>200,988,676</b>	<b>203,698,676</b>	<b>(1.33)</b>
<b>Total Liabilities and Equity</b>	<b>2,462,168,197</b>	<b>2,499,553,904</b>	<b>(1.50)</b>	<b>2,393,003,806</b>	<b>2,425,798,032</b>	<b>(1.35)</b>
<b>Contingent Liabilities and Commitments</b>	<b>605,333,607</b>	<b>555,531,537</b>	<b>8.96</b>	<b>602,121,702</b>	<b>549,421,699</b>	<b>9.59</b>
<b>Net Assets Value per Ordinary Share (Rs.)</b>	<b>156.68</b>	<b>168.47</b>	<b>(7.00)</b>	<b>153.02</b>	<b>164.30</b>	<b>(6.87)</b>
<b>Memorandum Information</b>						
Number of Employees				5,146	5,121	
Number of Customer Service Centers				291	289	

**CERTIFICATION :**

These Financial Statements have been prepared in compliance with requirements of the Companies Act No. 07 of 2007.

**(Sgd.) K.D.N. Buddhipala**

*Chief Financial Officer*

We, the undersigned, being the Chairman and the Managing Director/Chief Executive Officer of the Commercial Bank of Ceylon PLC, certify jointly that:

- (a) the above financial statements have been prepared in compliance with the formats and definitions prescribed by the Central Bank of Sri Lanka,
- (b) the information contained in these financial statements has been extracted from the unaudited Financial Statements of the Group and the Bank, unless indicated as audited.

**(Sgd.) Prof. A. K. W. Jayawardane**

*Chairman*

*August 11, 2023*

*Colombo*

**(Sgd.) S. C. U. Manatunge**

*Managing Director/Chief Executive Officer*

	Stated Capital	Statutory Reserve Fund	Retained Earnings	Other Reserves						Total equity attributable to equity holders of the Bank	Non-Controlling Interest	Total Equity
				Revaluation Reserve	Fair Value Reserve	Foreign Currency Translation Reserve	Hedging Reserve	Employee Share Option Reserve	General Reserve			
				Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000			
Balance as at December 31, 2021 - Audited	54,566,957	10,590,338	9,890,762	11,084,711	(11,979,313)	4,507,072	(56,342)	150,529	88,720,003	167,474,717	2,077,811	169,552,528
Adjustment for Surcharge Tax levied under the Surcharge Tax Act No. 14 of 2022	-	-	(5,205,524)	-	-	-	-	-	-	(5,205,524)	(11,050)	(5,216,574)
Adjusted balance as at January 1, 2022	54,566,957	10,590,338	4,685,238	11,084,711	(11,979,313)	4,507,072	(56,342)	150,529	88,720,003	162,269,193	2,066,761	164,335,954
Total comprehensive income for the six months ended 30.06.2022												
Profit for the six months ended 30.06.2022	-	-	8,940,996	-	-	-	-	-	-	8,940,996	236,754	9,177,750
Other comprehensive income for the six months ended 30.06.2022	-	-	7,373	-	9,821,095	21,923,821	60,630	-	-	31,812,919	1,451,783	33,264,702
Total comprehensive income for the six months ended 30.06.2022	-	-	8,948,369	-	9,821,095	21,923,821	60,630	-	-	40,753,915	1,688,537	42,442,452
Transactions with owners recognised directly in equity, contributions by and distributions to owners												
Dividends to equity holders												
First & Final dividend for 2021 satisfied in the form of cash	-	-	(5,373,996)	-	-	-	-	-	-	(5,373,996)	(10,800)	(5,384,796)
First & Final dividend for 2021 satisfied in the form of issue and allotment of new shares	3,582,664	-	(3,582,664)	-	-	-	-	-	-	-	-	-
Unclaimed dividend absorbed/(paid) in respect of previous years	-	-	12,697	-	-	-	-	-	-	12,697	-	12,697
Total transactions with equity holders	3,582,664	-	(8,943,963)	-	-	-	-	-	-	(5,361,299)	(10,800)	(5,372,099)
Balance as at 30.06.2022	58,149,621	10,590,338	4,689,644	11,084,711	(2,158,218)	26,430,893	4,288	150,529	88,720,003	197,661,809	3,744,498	201,406,307
Total comprehensive income for the six months ended 31.12.2022												
Profit for the six months ended 31.12.2022	-	-	14,870,918	-	-	-	-	-	-	14,870,918	350,804	15,221,722
Other comprehensive income for the six months ended 31.12.2022	-	-	(18,735)	(870,467)	2,230,488	(5,058,922)	32,266	-	-	(3,685,370)	15,671	(3,669,699)
Total comprehensive income for the six months ended 31.12.2022	-	-	14,852,183	(870,467)	2,230,488	(5,058,922)	32,266	-	-	11,185,548	366,475	11,552,023
Transactions with owners recognised directly in equity, contributions by and distributions to owners												
Dividends to equity holders												
Unclaimed dividend absorbed/(paid) in respect of previous years	-	-	17,809	-	-	-	-	-	-	17,809	35	17,844
Interim dividend for 2022	-	-	-	-	-	-	-	-	-	-	(3,600)	(3,600)
Transfers during the period	-	1,489,332	(12,769,332)	-	-	-	-	-	11,280,000	-	-	-
Total transactions with equity holders	-	1,489,332	(12,751,523)	-	-	-	-	-	11,280,000	17,809	(3,565)	14,244
Balance as at 31.12.2022 - Audited	58,149,621	12,079,670	6,790,304	10,214,244	72,270	21,371,971	36,554	150,529	100,000,003	208,865,166	4,107,408	212,972,574
Total comprehensive income for the six months ended 30.06.2023												
Profit for the six months ended 30.06.2023	-	-	7,966,526	-	-	-	-	-	-	7,966,526	323,948	8,290,474
Other comprehensive income for the six months ended 30.06.2023	-	-	-	-	2,927,422	(13,082,615)	(36,554)	-	-	(10,191,747)	(609,736)	(10,801,483)
Total comprehensive income for the six months ended 30.06.2023	-	-	7,966,526	-	2,927,422	(13,082,615)	(36,554)	-	-	(2,225,221)	(285,788)	(2,511,009)
Transactions with owners recognised directly in equity, contributions by and distributions to owners												
Dividends to equity holders												
First & Final dividend for 2022 satisfied in the form of issue and allotment of new shares	4,742,151	-	(5,579,001)	-	-	-	-	-	-	(836,850)	-	(836,850)
Final cash dividend for 2022	-	-	-	-	-	-	-	-	-	-	(10,800)	(10,800)
Unclaimed dividend absorbed/(paid) in respect of previous years	-	-	12,615	-	-	-	-	-	-	12,615	-	12,615
Total transactions with equity holders	4,742,151	-	(5,540,614)	-	-	-	-	(36,817)	-	(835,280)	(10,800)	(846,080)
Balance as at 30.06.2023	62,891,772	12,079,670	9,216,216	10,214,244	2,999,692	8,289,356	-	113,712	100,000,003	205,804,665	3,810,820	209,615,485

	Stated Capital	Statutory Reserve Fund	Retained Earnings	Other Reserves						Total Equity
				Revaluation Reserve	Fair Value Reserve	Foreign Currency Translation Reserve	Hedging Reserve	Employee Share Option Reserve	General Reserve	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at December 31, 2021 - Audited	54,566,957	10,204,368	9,028,265	10,195,652	(11,980,175)	4,064,722	(56,342)	150,529	88,720,003	164,893,979
Adjustment for Surcharge Tax levied under the Surcharge Tax Act No. 14 of 2022	-	-	(5,036,184)	-	-	-	-	-	-	(5,036,184)
Adjusted balance as at January 1, 2022	54,566,957	10,204,368	3,992,081	10,195,652	(11,980,175)	4,064,722	(56,342)	150,529	88,720,003	159,857,795
Total comprehensive income for the six months ended 30.06.2022										
Profit for the six months ended 30.06.2022	-	-	8,592,215	-	-	-	-	-	-	8,592,215
Other comprehensive income for the six months ended 30.06.2022	-	-	7,373	-	9,836,153	19,913,148	60,630	-	-	29,817,304
Total comprehensive income for the six months ended 30.06.2022	-	-	8,599,588	-	9,836,153	19,913,148	60,630	-	-	38,409,519
Transactions with owners recognised directly in equity, contributions by and distributions to owners										
Dividends to equity holders										
First & Final dividend for 2021 satisfied in the form of cash	-	-	(5,373,996)	-	-	-	-	-	-	(5,373,996)
First & Final dividend for 2021 satisfied in the form of issue and allotment of new shares	3,582,664	-	(3,582,664)	-	-	-	-	-	-	-
Unclaimed dividend absorbed/(paid) in respect of previous years	-	-	12,697	-	-	-	-	-	-	12,697
Total transactions with equity holders	3,582,664	-	(8,943,963)	-	-	-	-	-	-	(5,361,299)
Balance as at 30.06.2022 - Audited	58,149,621	10,204,368	3,647,706	10,195,652	(2,144,022)	23,977,870	4,288	150,529	88,720,003	192,906,015
Total comprehensive income for the six months ended 31.12.2022										
Profit for the six months ended 31.12.2022	-	-	14,377,576	-	-	-	-	-	-	14,377,576
Other comprehensive income for the six months ended 31.12.2022	-	-	(22,166)	(799,110)	2,222,765	(5,036,165)	32,266	-	-	(3,602,410)
Total comprehensive income for the six months ended 31.12.2022	-	-	14,355,410	(799,110)	2,222,765	(5,036,165)	32,266	-	-	10,775,166
Transactions with owners recognised directly in equity, contributions by and distributions to owners										
Dividends to equity holders										
Unclaimed dividend absorbed/(paid) in respect of previous years	-	-	17,495	-	-	-	-	-	-	17,495
Transfers during the period	-	1,148,490	(12,428,490)	-	-	-	-	-	11,280,000	-
Total transactions with equity holders	-	1,148,490	(12,410,995)	-	-	-	-	-	11,280,000	17,495
Balance as at 31.12.2022 - Audited	58,149,621	11,352,858	5,592,121	9,396,542	78,743	18,941,705	36,554	150,529	100,000,003	203,698,676
Total comprehensive income for the six months ended 30.06.2023										
Profit for the six months ended 30.06.2023	-	-	7,513,512	-	-	-	-	-	-	7,513,512
Other comprehensive income for the six months ended 30.06.2023	-	-	-	-	2,920,380	(12,272,058)	(36,554)	-	-	(9,388,232)
Total comprehensive income for the six months ended 30.06.2023	-	-	7,513,512	-	2,920,380	(12,272,058)	(36,554)	-	-	(1,874,720)
Transactions with owners recognised directly in equity, contributions by and distributions to owners										
Transfer of cost o/a of expired ESOP Shares (net of tax)	-	-	25,772	-	-	-	-	(36,817)	-	(11,045)
Dividends to equity holders										
First & Final dividend for 2022 satisfied in the form of issue and allotment of new shares	4,742,151	-	(5,579,001)	-	-	-	-	-	-	(836,850)
Unclaimed dividend absorbed/(paid) in respect of previous years	-	-	12,615	-	-	-	-	-	-	12,615
Total transactions with equity holders	4,742,151	-	(5,540,614)	-	-	-	-	(36,817)	-	(835,280)
Balance as at 30.06.2023 - Audited	62,891,772	11,352,858	7,565,019	9,396,542	2,999,123	6,669,647	-	113,712	100,000,003	200,988,676

# STATEMENT OF CASH FLOWS

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For the six months ended June 30,	Group		Bank	
	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Cash Flows from Operating Activities</b>				
Profit before income tax	14,092,432	13,375,796	12,971,119	12,575,870
Adjustments for:				
Non-cash items included in profit before tax	10,213,232	50,082,405	10,162,265	49,655,742
(Increase)/decrease in operating assets	(12,545,541)	(396,093,347)	(17,774,881)	(361,419,439)
Increase/(decrease) in operating liabilities	(2,823,601)	363,739,410	1,223,380	333,227,762
(Gains)/losses on sale of property, plant and equipment	(7,594)	(2,153)	(3,294)	(115)
Share of (profit)/loss from associate, net of tax	(2,352)	3,476	-	-
Dividends received from investments in subsidiaries	-	-	(52,200)	(52,200)
Interest expense on subordinated liabilities	3,000,506	2,179,702	3,000,506	2,179,702
Benefits paid on defined benefit plans	(371,664)	(533,839)	(365,641)	(527,306)
Net unrealized gains/(losses) arising from translating the financial statements of foreign operations	(13,692,351)	23,375,604	(12,272,058)	19,913,148
Income tax paid	(6,418,307)	(4,511,665)	(6,201,120)	(4,306,699)
Surcharge tax paid	-	(2,608,287)	-	(2,518,092)
<b>Net cash from/(used in) operating activities</b>	<b>(8,555,240)</b>	<b>49,007,102</b>	<b>(9,311,924)</b>	<b>48,728,373</b>
<b>Cash Flows from Investing Activities</b>				
Purchase of property, plant and equipment	(1,256,325)	(1,159,378)	(1,230,143)	(1,021,894)
Proceeds from sale of property, plant and equipment	5,451	34,951	1,102	6,527
Purchase of financial investments	-	(1,200,000)	-	(1,200,000)
Proceeds from sale and on maturity of financial investments	901,954	774,369	901,954	774,369
Purchase of intangible assets	(381,509)	(635,121)	(364,294)	(566,110)
Dividends received from investments in subsidiaries	-	-	52,200	52,200
<b>Net cash from/(used in) investing activities</b>	<b>(730,429)</b>	<b>(2,185,179)</b>	<b>(639,181)</b>	<b>(1,954,908)</b>
<b>Cash Flows from Financing Activities</b>				
Repayment of subordinated liabilities	(24,000,000)	-	(24,000,000)	-
Interest paid on subordinated liabilities	(3,613,516)	(1,952,273)	(3,613,516)	(1,952,273)
Payment of lease liabilities/advance payment o/a right-of-use assets	(819,756)	(838,785)	(905,165)	(899,235)
Dividend paid to shareholders	(2,195)	(5,361,299)	(2,195)	(5,361,299)
Withholding tax paid on scrip dividend	(836,850)	-	(836,850)	-
Dividend paid to non-controlling interest	(10,800)	(10,800)	-	-
<b>Net cash from /(used in) financing activities</b>	<b>(29,283,117)</b>	<b>(8,163,157)</b>	<b>(29,357,726)</b>	<b>(8,212,807)</b>
Net increase/(decrease) in cash & cash equivalents	(38,568,786)	38,658,766	(39,308,831)	38,560,658
Gross cash and cash equivalents as at January 1,	151,123,519	69,342,992	149,407,301	68,085,631
<b>Gross cash and cash equivalents at end of the period</b>	<b>112,554,733</b>	<b>108,001,758</b>	<b>110,098,470</b>	<b>106,646,289</b>
Less: Impairment provision	(10,440)	(1,986)	(10,105)	(1,881)
<b>Cash and cash equivalents as per Statement of Financial Position</b>	<b>112,544,293</b>	<b>107,999,772</b>	<b>110,088,365</b>	<b>106,644,408</b>

	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at Amortised Cost (AC)	Financial instruments at fair value through other comprehensive income (FVOCI)	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>FINANCIAL ASSETS</b>				
Cash and cash equivalents		112,544,293		112,544,293
Balances with Central Banks		61,871,953		61,871,953
Placements with banks		53,920,816		53,920,816
Securities purchased under resale agreements		3,378,561		3,378,561
Derivative financial assets	7,032,972			7,032,972
Financial assets recognised through profit or loss - measured at fair value	50,791,983			50,791,983
Financial assets at amortised cost - Loans and advances to other customers		1,096,826,774		1,096,826,774
Financial assets at amortised cost - Debt and other financial instruments		740,197,253		740,197,253
Financial assets measured at fair value through other comprehensive income			230,826,265	230,826,265
<b>Total financial assets</b>	<b>57,824,955</b>	<b>2,068,739,650</b>	<b>230,826,265</b>	<b>2,357,390,870</b>
		Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at Amortised Cost (AC)	Total
		Rs.'000	Rs.'000	Rs.'000
<b>FINANCIAL LIABILITIES</b>				
Due to banks			50,020,369	50,020,369
Derivative financial liabilities		5,309,026		5,309,026
Securities sold under repurchase agreements			133,588,179	133,588,179
Financial liabilities at amortised cost - due to depositors			1,958,690,813	1,958,690,813
Financial liabilities at amortised cost - other borrowings			11,481,198	11,481,198
Subordinated liabilities			33,262,957	33,262,957
<b>Total financial liabilities</b>		<b>5,309,026</b>	<b>2,187,043,516</b>	<b>2,192,352,542</b>

	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at Amortised Cost (AC)	Financial instruments at fair value through other comprehensive income (FVOCI)	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>FINANCIAL ASSETS</b>				
Cash and cash equivalents		151,109,490		151,109,490
Balances with Central Banks		78,597,120		78,597,120
Placements with banks		96,082,937		96,082,937
Securities purchased under resale agreements		1,517,308		1,517,308
Derivative financial assets	8,345,091			8,345,091
Financial assets recognised through profit or loss - measured at fair value	24,873,057			24,873,057
Financial assets at amortised cost - Loans and advances to other customers		1,155,492,527		1,155,492,527
Financial assets at amortised cost - Debt and other financial instruments		761,650,234		761,650,234
Financial assets measured at fair value through other comprehensive income			118,652,257	118,652,257
<b>Total financial assets</b>	<b>33,218,148</b>	<b>2,244,449,616</b>	<b>118,652,257</b>	<b>2,396,320,021</b>
		Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at Amortised Cost (AC)	Total
		Rs. '000	Rs. '000	Rs. '000
<b>FINANCIAL LIABILITIES</b>				
Due to banks			64,971,170	64,971,170
Derivative financial liabilities		2,880,667		2,880,667
Securities sold under repurchase agreements			97,726,435	97,726,435
Financial liabilities at amortised cost - due to depositors			1,977,743,661	1,977,743,661
Financial liabilities at amortised cost - other borrowings			16,150,356	16,150,356
Subordinated liabilities			61,400,967	61,400,967
<b>Total financial liabilities</b>		<b>2,880,667</b>	<b>2,217,992,589</b>	<b>2,220,873,256</b>

	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at Amortised Cost (AC)	Financial instruments at fair value through other comprehensive income (FVOCI)	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>FINANCIAL ASSETS</b>				
Cash and cash equivalents		110,088,365		110,088,365
Balances with Central Banks		53,719,053		53,719,053
Placements with banks		53,711,794		53,711,794
Securities purchased under resale agreements		3,378,561		3,378,561
Derivative financial assets	7,032,972			7,032,972
Financial assets recognised through profit or loss - measured at fair value	50,791,983			50,791,983
Financial assets at amortised cost - Loans and advances to other customers		1,071,346,946		1,071,346,946
Financial assets at amortised cost - Debt and other financial instruments		705,929,076		705,929,076
Financial assets measured at fair value through other comprehensive income			230,097,911	230,097,911
<b>Total financial assets</b>	<b>57,824,955</b>	<b>1,998,173,795</b>	<b>230,097,911</b>	<b>2,286,096,661</b>
<b>FINANCIAL LIABILITIES</b>				
		Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at Amortised Cost (AC)	Total
		Rs.'000	Rs.'000	Rs.'000
Due to banks			49,463,863	49,463,863
Derivative financial liabilities		5,309,026		5,309,026
Securities sold under repurchase agreements			133,599,880	133,599,880
Financial liabilities at amortised cost - due to depositors			1,900,074,880	1,900,074,880
Financial liabilities at amortised cost - other borrowings			11,481,198	11,481,198
Subordinated liabilities			33,262,957	33,262,957
<b>Total financial liabilities</b>		<b>5,309,026</b>	<b>2,127,882,778</b>	<b>2,133,191,804</b>

	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at Amortised Cost (AC)	Financial instruments at fair value through other comprehensive income (FVOCI)	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>FINANCIAL ASSETS</b>				
Cash and cash equivalents		149,393,611		149,393,611
Balances with Central Banks		66,493,499		66,493,499
Placements with banks		95,899,645		95,899,645
Securities purchased under resale agreements		1,517,308		1,517,308
Derivative financial assets	8,345,091			8,345,091
Financial assets recognised through profit or loss - measured at fair value	24,873,057			24,873,057
Financial assets at amortised cost - Loans and advances to other customers		1,130,442,579		1,130,442,579
Financial assets at amortised cost - Debt and other financial instruments		725,935,299		725,935,299
Financial assets measured at fair value through other comprehensive income			117,056,240	117,056,240
<b>Total financial assets</b>	<b>33,218,148</b>	<b>2,169,681,941</b>	<b>117,056,240</b>	<b>2,319,956,329</b>
<b>FINANCIAL LIABILITIES</b>				
Due to banks			65,130,061	65,130,061
Derivative financial liabilities		2,880,667		2,880,667
Securities sold under repurchase agreements			97,726,435	97,726,435
Financial liabilities at amortised cost - due to depositors			1,914,359,494	1,914,359,494
Financial liabilities at amortised cost - other borrowings			16,150,356	16,150,356
Subordinated liabilities			61,400,967	61,400,967
<b>Total financial liabilities</b>		<b>2,880,667</b>	<b>2,154,767,313</b>	<b>2,157,647,980</b>



**Level 1**

Inputs that are quoted market prices (unadjusted) in an active market for identical instruments.

Accordingly, the Bank measures the fair value of an instrument using active quoted prices or dealer price quotations without any deduction for transaction costs, if available. A market is regarded as active if transactions for assets and liabilities take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

**Level 2**

Inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices).

This category includes instruments valued using;

- quoted prices in active markets for similar instruments,
- quoted prices for identical or similar instruments in markets that are considered to be less active, or
- other valuation techniques in which almost all significant inputs are directly or indirectly observable from market data.

**Level 3**

Inputs that are unobservable.

This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs that have a significant effect on the instruments' valuation.

This category includes instruments that are valued based on quoted prices of similar instruments for which significant unobservable adjustments or assumptions are required to reflect difference between the instruments.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, risk premiums in estimating discount rates, bond and equity prices, foreign exchange rates, expected price volatilities and corrections.

There are no material changes in the fair value of financial assets categorised under Level 3 compared to the values reported as at December 31, 2022. The Bank has not changed the valuation models and assumptions used to measure the fair values of Level 3 financial instruments during the period ended June 30, 2023.

The following table provides an analysis of assets and liabilities measured at fair value as at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. These amounts were based on the values recognised in the Statement of Financial Position:

	Group				Bank			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	(Audited) Rs.'000
<b>As at June 30, 2023</b>								
<b>Financial Assets</b>								
Derivative financial assets	-	7,032,972	-	7,032,972	-	7,032,972	-	7,032,972
Financial assets recognized through profit or loss - measured at fair value	50,791,983	-	-	50,791,983	50,791,983	-	-	50,791,983
Financial assets measured at fair value through other comprehensive income	230,767,760	-	58,505	230,826,265	230,039,530	-	58,381	230,097,911
<b>Total financial assets at fair value</b>	<b>281,559,743</b>	<b>7,032,972</b>	<b>58,505</b>	<b>288,651,220</b>	<b>280,831,513</b>	<b>7,032,972</b>	<b>58,381</b>	<b>287,922,866</b>
<b>Financial Liabilities</b>								
Derivative financial liabilities	-	5,309,026	-	5,309,026	-	5,309,026	-	5,309,026
<b>Total financial liabilities at fair value</b>	<b>-</b>	<b>5,309,026</b>	<b>-</b>	<b>5,309,026</b>	<b>-</b>	<b>5,309,026</b>	<b>-</b>	<b>5,309,026</b>

  

	Group				Bank			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>As at December 31, 2022 - (Audited)</b>								
<b>Financial Assets</b>								
Derivative financial assets	-	8,345,091	-	8,345,091	-	8,345,091	-	8,345,091
Financial assets recognized through profit or loss - measured at fair value	24,873,057	-	-	24,873,057	24,873,057	-	-	24,873,057
Financial assets measured at fair value through other comprehensive income	118,586,766	-	65,491	118,652,257	116,990,873	-	65,367	117,056,240
<b>Total financial assets at fair value</b>	<b>143,459,823</b>	<b>8,345,091</b>	<b>65,491</b>	<b>151,870,405</b>	<b>141,863,930</b>	<b>8,345,091</b>	<b>65,367</b>	<b>150,274,388</b>
<b>Financial Liabilities</b>								
Derivative financial liabilities	-	2,880,667	-	2,880,667	-	2,880,667	-	2,880,667
<b>Total financial liabilities at fair value</b>	<b>-</b>	<b>2,880,667</b>	<b>-</b>	<b>2,880,667</b>	<b>-</b>	<b>2,880,667</b>	<b>-</b>	<b>2,880,667</b>

The following table sets out the fair values of financial assets and liabilities not measured at fair value and the related fair value hierarchy used:

	Group					Bank				
	Level 1	Level 2	Level 3	Total fair values	Total carrying amount	Level 1	Level 2	Level 3	Total fair values	Total carrying amount
As at June 30, 2023	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	(Audited) Rs.'000
<b>Financial Assets</b>										
Financial assets at amortised cost - Loans and advances to other customers	-	-	1,048,318,329	1,048,318,329	1,096,826,774	-	-	1,022,838,501	1,022,838,501	1,071,346,946
Financial assets at amortised cost - Debt and other financial instruments	581,998,517	33,669,357	-	615,667,874	740,197,253	547,730,340	33,669,357	-	581,399,697	705,929,076
<b>Total financial assets not at fair value</b>	<b>581,998,517</b>	<b>33,669,357</b>	<b>1,048,318,329</b>	<b>1,663,986,203</b>	<b>1,837,024,027</b>	<b>547,730,340</b>	<b>33,669,357</b>	<b>1,022,838,501</b>	<b>1,604,238,198</b>	<b>1,777,276,022</b>
<b>Financial Liabilities</b>										
Financial liabilities at amortised cost - due to depositors	-	-	1,977,553,383	1,977,553,383	1,958,690,813	-	-	1,918,937,450	1,918,937,450	1,900,074,880
Subordinated liabilities	-	-	30,140,375	30,140,375	33,262,957	-	-	30,140,375	30,140,375	33,262,957
<b>Total financial liabilities not at fair value</b>	<b>-</b>	<b>-</b>	<b>2,007,693,758</b>	<b>2,007,693,758</b>	<b>1,991,953,770</b>	<b>-</b>	<b>-</b>	<b>1,949,077,825</b>	<b>1,949,077,825</b>	<b>1,933,337,837</b>
	Group					Bank				
	Level 1	Level 2	Level 3	Total fair values	Total carrying amount	Level 1	Level 2	Level 3	Total fair values	Total carrying amount
As at December 31, 2022 - (Audited)	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Financial Assets</b>										
Financial assets at amortised cost - Loans and advances to other customers	-	-	1,090,864,107	1,090,864,107	1,155,492,527	-	-	1,065,814,159	1,065,814,159	1,130,442,579
Financial assets at amortised cost - Debt and other financial instruments	503,835,751	53,911,427	-	557,747,178	761,650,234	468,120,816	53,911,427	-	522,032,243	725,935,299
<b>Total financial assets not at fair value</b>	<b>503,835,751</b>	<b>53,911,427</b>	<b>1,090,864,107</b>	<b>1,648,611,285</b>	<b>1,917,142,761</b>	<b>468,120,816</b>	<b>53,911,427</b>	<b>1,065,814,159</b>	<b>1,587,846,402</b>	<b>1,856,377,878</b>
<b>Financial Liabilities</b>										
Financial liabilities at amortised cost - due to depositors	-	-	1,985,993,019	1,985,993,019	1,977,743,661	-	-	1,922,608,851	1,922,608,851	1,914,359,494
Subordinated liabilities	-	-	54,899,526	54,899,526	61,400,967	-	-	54,899,526	54,899,526	61,400,967
<b>Total financial liabilities not at fair value</b>	<b>-</b>	<b>-</b>	<b>2,040,892,545</b>	<b>2,040,892,545</b>	<b>2,039,144,628</b>	<b>-</b>	<b>-</b>	<b>1,977,508,377</b>	<b>1,977,508,377</b>	<b>1,975,760,461</b>

**Assets and Liabilities for which fair value approximates the carrying value**

For financial assets and liabilities listed below with short-term maturities or with short-term re-pricing intervals, it is assumed that the carrying amounts approximate to their fair value.

**Financial Assets**

- Cash and cash equivalents
- Balances with Central Banks
- Placements with banks
- Securities purchased under resale agreements

**Financial Liabilities**

- Due to banks
- Securities sold under repurchase agreements
- Financial liabilities at amortised cost - other borrowings

	Bank		Group	
	As at 30.06.2023	As at 31.12.2022	As at 30.06.2023	As at 31.12.2022
<b>Regulatory Capital - Rs. '000</b>				
Common Equity Tier I	154,662,626	154,397,408	163,262,984	161,743,687
Tier I Capital	154,662,626	154,397,408	163,262,984	161,743,687
Total Capital	194,367,656	198,689,452	203,787,544	206,898,033
<b>Regulatory Capital Ratios (%)</b>				
Common Equity Tier I Capital Ratio (Minimum Requirement - 8.500%)	12.374	11.389	12.411	11.341
Tier I Capital Ratio (Minimum Requirement - 10.000%)	12.374	11.389	12.411	11.341
Total Capital Ratio (Minimum Requirement - 14.000%)	15.550	14.657	15.491	14.507
<b>Leverage Ratio (%) (Minimum Requirement - 3%)</b>	5.39	5.56	5.55	5.66
<b>Regulatory Liquidity</b>				
Statutory Liquid Assets - Rs. '000				
Domestic Banking Unit	681,949,991	589,479,103		
Off-Shore Banking Unit	31,885,092	47,065,915		
Consolidated (Sri Lankan Operations)	704,162,303	622,692,705		
Statutory Liquid Assets Ratio (%) (Minimum Requirement 20%)				
Domestic Banking Unit	38.96	35.01		
Off-Shore Banking Unit	29.16	32.37		
Consolidated (Sri Lankan Operations)	38.65	35.88		
Total Stock of High Quality Liquid Assets - Rs. '000	619,077,792	476,447,368		
Liquidity Coverage Ratio (%) (Minimum Requirement - 2023 - 100%, 2022 - 90%)				
Liquidity Coverage Ratio (%) - Rupee	418.74	405.91		
Liquidity Coverage Ratio (%) - All Currency	313.72	293.91		
Net Stable Funding Ratio (%) (Minimum Requirement - 2023 - 100%, 2022 - 90%)	183.95	173.58		
<b>Asset Quality (Quality of Loan Portfolio)</b>				
Impaired Loans (Stage 3) Ratio (%)	6.28	5.25		
Impairment (Stage 3) to Stage 3 Loans Ratio (%)	39.70	39.60		
<b>Profitability</b>				
Interest Margin (%)	3.01	3.74		
Return on Assets (before tax) (%)	1.09	1.03		
Return on Equity (%)	7.49	12.46		
<b>Debt Security Related Ratios</b>				
Debt to Equity Ratio (%)	16.55	34.02		
Interest Cover (Times)	5.33	7.31		

OPERATING SEGMENTS - GROUP

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For the six months ended June 30,	Personal Banking		Corporate Banking		International Operations		Dealing/Treasury		NBFI, Real Estate & Services		Unallocated/Eliminations		Total/Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
External operating income :														
Net interest income	17,858,062	17,659,245	9,778,677	8,571,487	9,066,238	5,684,450	(7,751,187)	4,730,997	320,644	360,496	8,177,236	3,705,910	37,449,670	40,712,585
Foreign exchange profit	313,334	196,639	(731,519)	(292,552)	6,472,713	3,537,442	3,367,594	(11,791,447)	(1,491)	1,225	(9,185,876)	28,703,859	234,755	20,355,166
Net fee and commission income	5,288,293	4,182,581	3,709,996	3,353,742	1,344,750	1,097,894	12,450	(4,995)	87,651	69,266	147,818	179,014	10,590,958	8,877,502
Other income	339,625	192,342	123,689	(199,762)	70,518	(74,156)	1,674,234	(1,274,716)	521,767	451,977	(485,411)	191,181	2,244,422	(713,134)
Total operating income	23,799,314	22,230,807	12,880,843	11,432,915	16,954,219	10,245,630	(2,696,909)	(8,340,161)	928,571	882,964	(1,346,233)	32,779,964	50,519,805	69,232,119
Impairment charges and other losses	(4,035,397)	(6,984,497)	(3,163,898)	(7,721,372)	(483,641)	(209,682)	(5,432,514)	(20,145,568)	(95,513)	(157,500)	-	-	(13,210,963)	(35,218,619)
Net operating income	19,763,917	15,246,310	9,716,945	3,711,543	16,470,578	10,035,948	(8,129,423)	(28,485,729)	833,058	725,464	(1,346,233)	32,779,964	37,308,842	34,013,500
Segment result	7,809,601	3,071,277	8,295,599	2,359,372	12,592,857	6,889,477	(9,496,467)	(28,727,697)	254,169	282,536	(5,365,679)	29,504,307	14,090,080	13,379,272
Profit from operations													14,090,080	13,379,272
Share of profit/(loss) of associate, net of tax													2,352	(3,476)
Income tax expense													(5,801,958)	(4,198,046)
Non-controlling Interest													(323,948)	(236,754)
Net profit for the period, attributable to equity holders of the parent													7,966,526	8,940,996

As at June 30,	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Other information														
Segment assets	625,398,127	739,898,254	473,405,658	554,759,764	399,132,082	409,781,480	966,150,514	765,278,183	13,871,952	14,274,096	(15,847,992)	(80,567,184)	2,462,110,341	2,403,424,593
Investment in associate	-	-	-	-	-	-	-	-	-	-	57,856	55,628	57,856	55,628
Total assets	625,398,127	739,898,254	473,405,658	554,759,764	399,132,082	409,781,480	966,150,514	765,278,183	13,871,952	14,274,096	(15,790,136)	(80,511,556)	2,462,168,197	2,403,480,221
Segment liabilities	1,364,546,506	1,195,648,098	412,485,139	466,117,817	328,285,831	336,859,230	182,136,232	285,237,021	7,832,547	8,459,618	(42,733,543)	(90,247,870)	2,252,552,712	2,202,073,914
Total liabilities	1,364,546,506	1,195,648,098	412,485,139	466,117,817	328,285,831	336,859,230	182,136,232	285,237,021	7,832,547	8,459,618	(42,733,543)	(90,247,870)	2,252,552,712	2,202,073,914

For the six months ended June 30,	2023	2022
	Rs.'000	Rs.'000
Information on cash flows		
Cash flows from operating activities	(8,555,240)	49,007,102
Cash flows from investing activities	901,954	(425,631)
Cash flows from financing activities	(29,283,117)	(8,163,157)
Capital expenditure -		
Property, Plant & Equipment	(1,250,874)	(1,124,427)
Intangible assets	(381,509)	(635,121)
Net cash flow generated during the period	(38,568,786)	38,658,766

Twenty largest ordinary voting shareholders as at June 30, 2023

Name of the Shareholder	No. of Shares	%
01. DFCC Bank PLC A/C 1	149,777,568	12.12
02. Mr. Y. S. H. I. Silva	122,327,008	9.90
03. Employees' Provident Fund	106,485,764	8.62
04. Mr. D. P. Pieris	95,321,291	7.71
05. CB NY S/A International Finance Corporation	87,919,750	7.11
06. Sri Lanka Insurance Corporation Ltd - Life Fund	62,371,928	5.05
07. Melstacorp PLC	51,131,771	4.14
08. Mr. K. D. D. Perera	45,418,533	3.67
09. CB NY S/A IFC Emerging Asia Fund. LP	45,325,490	3.67
09. CB NY S/A IFC Financial Institutions Growth Fund LP	45,325,490	3.67
11. Sri Lanka Insurance Corporation Ltd - General Fund	43,737,539	3.54
12. Employees' Trust Fund Board	21,527,119	1.74
13. Renuka Hotels PLC	15,939,738	1.29
14. Cargo Boat Development Company PLC	11,186,898	0.91
15. Mr. M. J. Fernando	11,109,917	0.90
16. Hallsville Frontier Equities Ltd	10,876,310	0.88
17. Renuka Consultants & Services Limited	9,821,527	0.79
18. Mr. A. H. Munasinghe	8,128,095	0.66
19. Seylan Bank PLC/Andaradeniya Estate (Pvt) Ltd	5,882,457	0.48
20. Mr. A. L. Gooneratne	5,502,209	0.45
<b>Sub total</b>	<b>955,116,402</b>	<b>77.30</b>
Shares held by Directors	686,604	0.06
Other Shareholders	280,120,811	22.64
<b>Total</b>	<b>1,235,923,817</b>	<b>100.00</b>

Percentage of public holding as at June 30, 2023 - 99.83% (99.80% as at June 30, 2022)

Number of shareholders representing public holding as at June 30, 2023 - 16,680 (16,907 as at June 30, 2022)

Twenty largest ordinary non-voting shareholders as at June 30, 2023

Name of the Shareholder	No. of Shares	%
01. Employees' Trust Fund Board	6,036,439	7.78
02. Akbar Brothers (Pvt) Ltd. A/C No 1	3,789,303	4.88
03. GF Capital Global Limited	2,006,147	2.59
04. Mr. A. H. Munasinghe	1,815,867	2.34
05. Mr. M. F. Hashim	1,398,829	1.80
06. M. J. F. Exports (Pvt) Ltd	1,327,409	1.71
07. Deutsche Bank AG as Trustee to Assetline Income Plus Growth Fund	1,278,236	1.65
08. Mrs. L. V. C. Samarasingha	1,224,239	1.58
09. Janashakthi Insurance PLC - Shareholders	1,151,537	1.48
10. Saboor Chatoor (Pvt) Ltd	1,110,307	1.43
11. Mr. T. W. A. Wickramasinghe & Mrs. N. Wickremasinghe (Joint)	1,057,787	1.36
12. Mr. E. Chatoor	918,991	1.18
13. Bansei Securities Capital (Pvt) Ltd/I. S. P. Perera	894,245	1.15
14. Mr. R. Gautam	845,954	1.09
15. Mr. J. D. Bandaranayake , Ms. N. Bandaranayake & Dr. V. Bandaranayake (Joint)	825,996	1.06
16. Mr. K. S. M. De Silva	814,467	1.05
17. Mr. J. D. Bandaranayake , Dr. V. Bandaranayake & Ms. I. Bandaranayake (Joint)	801,947	1.03
18. Mr. A. L. Gooneratne	799,839	1.03
19. Mr. M. J. Fernando	762,425	0.98
20. Serendip Investments Limited	707,500	0.91
<b>Sub total</b>	<b>29,567,464</b>	<b>38.08</b>
Shares held by Directors	86,650	0.01
Other Shareholders	47,941,619	61.91
<b>Total</b>	<b>77,595,733</b>	<b>100.00</b>

Percentage of public holding as at June 30, 2023 - 99.88% (99.88% as at June 30, 2022)

Number of shareholders representing public holding as at June 30, 2023 - 5,943 (5,880 as at June 30, 2022)

Directors' holding in shares as at June 30, 2023

Name of Director	No. of Shares	
	Voting	Non-voting
Prof. A. K. W. Jayawardane - Chairman	14,379	-
Mr. Sharhan Muhseen - Deputy Chairman	2,750	-
Mr. S. C. U. Manatunge - Managing Director/Chief Executive Officer	80,276	-
Mr. S. Prabagar - Chief Operating Officer	175,453	26,290
Mr. L. D. Niyangoda	-	-
Ms. N. T. M. S. Cooray	384,987	60,360
Ms. Judy Lee	-	-
Mr. Raja Senanayake	-	-
Ms. D. L. T. S. Wijewardena	-	-
Dr. S. Selliah	28,759	-
Mr. D. N. L. Fernando	-	-
Mr. P. M. Kumarasinghe	-	-
<b>Total</b>	<b>686,604</b>	<b>86,650</b>

	2023 Rs.	2022 Rs.
<b>Market price of an ordinary share as at June 30,</b>		
Voting	68.10	50.60
Non-Voting	54.10	41.50
<b>Highest price during the quarter ended June 30,</b>		
Voting	69.90	64.80
Non-Voting	55.90	62.50
<b>Lowest price during the quarter ended June 30,</b>		
Voting	52.10	50.00
Non-Voting	43.10	40.00
<b>As at June 30,</b>	<b>2023</b>	<b>2022</b>
	<b>Rs.000</b>	<b>Rs.000</b>
Float adjusted market capitalization - Compliant under Option 1	88,216,221	61,950,904
<b>As at June 30,</b>	<b>2023</b>	<b>2022</b>
<b>Number of ordinary shares</b>		
Voting	1,235,923,817	1,167,236,442
Non-Voting	77,595,733	72,541,605

- 1 The Financial Statements of the Bank and the Group have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRSs/LKASs) issued by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka). There were no changes to the Accounting Policies and methods of computation since the publication of the Annual Report for the year ended December 31, 2022.
- 2 These Interim Financial Statements of the Bank and the Group have been prepared in compliance with the requirements of the Sri Lanka Accounting Standard - LKAS 34 on 'Interim Financial Reporting', and provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange.
- 3 **Impairment of loans & advances**  
 The Bank performed a comprehensive assessment of individually significant customers as at June 30, 2023, and based on the assessment, those customers who have been impaired due to an increased credit risk were moved from Stage 1 to Stage 2 or Stage 3 based on the higher credit risk, as applicable. The Bank continued to review the key assumptions used in the impairment computation against individually significant customers classified under Stages 2 and 3 during the period under review. Key assumptions such as security realisation period, and factors used to determine the security valuation were continuously monitored in relation to customers who have been affected by the economic downturn and accordingly additional impairment provisions were recognized.  
  
 Further, the Bank continued to apply all other prudent assumptions used in 2022, during the period under review as well. The Bank also continued to recognize additional impairment provisions by way of management overlays for facilities in the risk elevated industries during the period under review.
- 4 **Reclassification of Government Securities**  
 The Bank reclassified bulk of its Treasury Bond Portfolio amounting to Rs. 197.08 Bn., majority of Sri Lanka Development Bond (SLDB) portfolio amounting to Rs. 55.47 Bn., (USD 152.19 Mn) and entire Sri Lanka Sovereign Bond (SLSB) portfolio amounting to Rs. 39.60 Bn., (USD 108.63 Mn) from Fair Value Through Other Comprehensive Income (FVOCI) category to Amortized Cost category, with effect from April 01, 2022, in line with the guidelines issued by the CA Sri Lanka in the form of a Statement of Alternative Treatment (SoAT) on Reclassification of Debt Portfolio due to unprecedented changes in the macro-economic conditions. The fair value of the debt portfolio reclassified on April 1, 2022, and remaining as at June 30, 2023 amounted to Rs. 184.04 Bn., and the cumulative fair value loss thereon amounted to Rs. 59.75 Bn., (Net of tax Rs. 41.83 Bn).
- 5 During the quarter, there were no material changes in the composition of assets, liabilities and/or contingent liabilities, other than those disclosed above.
- 6 All known expenses including management fees and similar expenses have been provided for in these Interim Financial Statements.
- 7 There were no material events that took place since June 30, 2023, that require disclosure in these Interim Financial Statements.

**Auditors' Opinion on the Financial Statements of the Bank as at June 30, 2023 and for the six months period then ended**

The figures relating to the Bank have been extracted from the Financial Statements that had been audited by M/s Ernst & Young, the External Auditors of the Bank. The Auditors expressed an unqualified opinion on the said Financial Statements prepared as at June 30, 2023 and for the six months period then ended.

# INFORMATION ON DEBENTURES - BANK

21

Type of Issue	Public	Public	Public	Public	Public	Public	Public	Public	Public
Debenture Type	Type "B"	Type "B"	Type "A"	Type "B"	Type "A"	Type "B"	Type "A"	Type "B"	Type "C"
CSE Listing	Listed	Listed	Listed	Listed	Listed	Listed	Listed	Listed	Listed
Issue Date	March 9, 2016	Oct 28, 2016	July 23, 2018	July 23, 2018	Sep 21, 2021	Sep 21, 2021	Dec 12, 2022	Dec 12, 2022	Dec 12, 2022
Maturity Date	March 8, 2026	Oct 27, 2026	July 22, 2023	July 22, 2028	Sep 20, 2026	Sep 20, 2028	Dec 11, 2027	Dec 11, 2029	Dec 11, 2032
Interest Payable Frequency (Fixed Interest Rate)	Bi-Annually	Bi-Annually	Bi-Annually	Bi-Annually	Bi-Annually	Bi-Annually	Bi-Annually	Bi-Annually	Bi-Annually
Offered Interest Rate	11.25% p.a.	12.25% p.a.	12.00% p.a.	12.50% p.a.	9.00% p.a.	9.50% p.a.	28.00% p.a.	27.00% p.a.	22.00% p.a.
Amount (Rs.'000)	1,749,090	1,928,200	8,393,840	1,606,160	4,237,470	4,358,000	6,724,680	3,263,820	11,500

## Market Values

- Highest (Rs.)
- Lowest (Rs.)
- Period end (Rs.)

Not traded during the period	Not traded during the period	Not traded during the period	Not traded during the period	Not traded during the period	Not traded during the period	Not traded during the period	100.00 100.00 (*) 100.00	Not traded during the period	Not traded during the period
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## Interest Rates

- Coupon Rate (%)	11.25	12.25	12.00	12.50	9.00	9.50	28.00	27.00	22.00
- Effective Annual Yield (%)	11.57	12.63	12.36	12.89	9.20	9.73	29.96	28.82	23.21
- Interest Rate of comparable Government Security (%)	24.50	24.55	23.55	21.80	24.55	21.80	23.60	21.55	19.90

## Other Ratios as at date of last trade

- Interest Yield (%)	- N/A -	- N/A -	- N/A -	- N/A -	- N/A -	- N/A -	28.00	- N/A -	- N/A -
- Yield to Maturity (%)	- N/A -	- N/A -	- N/A -	- N/A -	- N/A -	- N/A -	28.00	- N/A -	- N/A -

\* Last traded date - February 14, 2023



# ANALYSIS OF LOANS AND ADVANCES TO OTHER CUSTOMERS AND IMPAIRMENT

22

As at	Group		Bank	
	30.06.2023 Rs.'000	31.12.2022 Rs.'000	30.06.2023 Rs.'000	31.12.2022 Rs.'000
Gross loans and advances to other customers	1,187,530,946	1,246,170,215	1,160,725,782	1,219,667,243
Impairment on loans and advances to other customers				
Accumulated impairment under stage 1	8,460,758	14,799,919	8,276,330	14,598,587
Accumulated impairment under stage 2	27,174,375	28,559,919	27,079,710	28,248,676
Accumulated impairment under stage 3	55,069,039	47,317,850	54,022,796	46,377,401
Total impairment	90,704,172	90,677,688	89,378,836	89,224,664
Net value of loans and advances to other customers	1,096,826,774	1,155,492,527	1,071,346,946	1,130,442,579
Gross loans and advances to other customers				
By product - Domestic Currency				
Overdrafts	103,067,892	109,291,481	103,129,459	109,345,131
Trade finance	50,945,184	73,096,708	50,945,184	73,096,708
Lease rental receivable	29,613,664	33,358,946	27,536,112	31,301,200
Credit cards	17,630,821	17,476,077	17,630,821	17,476,077
Pawning	25,687,874	16,389,557	25,660,266	16,389,557
Staff loans	12,824,678	13,112,448	12,809,995	13,098,664
Housing loans	64,812,001	69,554,603	64,812,001	69,554,603
Personal loans	37,349,905	42,658,801	37,325,850	42,613,882
Term loans	476,492,053	466,877,675	470,332,611	461,656,665
Bills of Exchange	334,853	304,118	334,853	304,118
Sub total	818,758,925	842,120,414	810,517,152	834,836,605
By product - Foreign Currency				
Overdrafts	22,830,211	34,026,879	20,654,582	30,321,807
Trade finance	35,163,985	46,070,743	33,729,046	45,324,464
Lease rental receivable	1,667,172	2,363,319	1,667,172	2,363,319
Credit cards	392,727	485,195	247,690	340,479
Staff loans	481,345	539,257	468,196	528,702
Housing loans	5,403,992	7,142,995	5,403,992	7,142,995
Personal loans	1,103,035	1,504,655	568,397	864,067
Term loans	252,646,689	280,499,335	238,386,690	266,527,382
Bills of Exchange	49,082,865	31,417,423	49,082,865	31,417,423
Sub total	368,772,021	404,049,801	350,208,630	384,830,638
Gross loans and advances to other customers	1,187,530,946	1,246,170,215	1,160,725,782	1,219,667,243

	Group		Bank	
	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Movement of impairment during the period</b>				
<b>Under Stage 1</b>				
Balance as at January 1,	14,799,919	10,181,101	14,598,587	10,027,938
Charge/(write back) to the Income Statement	(5,623,781)	2,380,187	(5,633,495)	2,389,315
Exchange rate variance on foreign currency provisions	(715,380)	2,238,631	(688,762)	2,181,334
<b>Balance as at June 30/December 31,</b>	<b>8,460,758</b>	<b>14,799,919</b>	<b>8,276,330</b>	<b>14,598,587</b>
<b>Under Stage 2</b>				
Balance as at January 1,	28,559,919	19,165,658	28,248,676	18,973,409
Charge/(write back) to the Income Statement	(911,338)	8,141,759	(700,192)	8,028,839
Exchange rate variance on foreign currency provisions	(474,206)	1,252,502	(468,774)	1,246,428
<b>Balance as at June 30/December 31,</b>	<b>27,174,375</b>	<b>28,559,919</b>	<b>27,079,710</b>	<b>28,248,676</b>
<b>Under Stage 3</b>				
Balance as at January 1,	47,317,850	36,000,048	46,377,401	35,065,201
Charge/(write back) to the Income Statement	11,577,026	11,774,775	11,276,476	11,543,632
Net write-off during the period	(94,798)	(3,045,410)	104,837	(2,775,787)
Exchange rate variance on foreign currency provisions	(2,090,135)	3,608,686	(2,077,918)	3,581,147
Interest accrued on impaired loans and advances	(2,375,199)	(1,295,278)	(2,266,528)	(1,216,457)
Other movements	734,295	275,029	608,528	179,665
<b>Balance as at June 30/December 31,</b>	<b>55,069,039</b>	<b>47,317,850</b>	<b>54,022,796</b>	<b>46,377,401</b>
<b>Total Impairment</b>				
Balance as at January 1,	90,677,688	65,346,807	89,224,664	64,066,548
Charge/(write back) to the Income Statement	5,041,907	22,296,721	4,942,789	21,961,786
Net write-off during the period	(94,798)	(3,045,410)	104,837	(2,775,787)
Exchange rate variance on foreign currency provisions	(3,279,721)	7,099,819	(3,235,454)	7,008,909
Interest accrued on impaired loans and advances	(2,375,199)	(1,295,278)	(2,266,528)	(1,216,457)
Other movements	734,295	275,029	608,528	179,665
<b>Balance as at June 30/December 31,</b>	<b>90,704,172</b>	<b>90,677,688</b>	<b>89,378,836</b>	<b>89,224,664</b>

As at	Group		Bank	
	30.06.2023	31.12.2022	30.06.2023	31.12.2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Gross commitments and contingencies</b>	<b>605,333,607</b>	<b>555,531,537</b>	<b>602,121,702</b>	<b>549,421,699</b>
<b>Impairment on commitments and contingencies</b>				
Accumulated impairment under stage 1	4,915,723	3,857,396	4,908,004	3,832,621
Accumulated impairment under stage 2	1,266,628	1,605,681	1,266,623	1,605,681
Accumulated impairment under stage 3	2,637,987	2,449,385	2,637,723	2,449,385
<b>Total Impairment</b>	<b>8,820,338</b>	<b>7,912,462</b>	<b>8,812,350</b>	<b>7,887,687</b>
<b>Gross commitments and contingencies</b>				
<b>By product - Domestic currency</b>				
<b>Contingencies</b>	<b>56,994,673</b>	<b>56,806,385</b>	<b>56,994,673</b>	<b>56,806,385</b>
Guarantees	38,359,959	38,264,711	38,359,959	38,264,711
Bonds	17,095,621	16,778,896	17,095,621	16,778,896
Documentary Credits	702,164	792,352	702,164	792,352
Acceptances	288,339	208,713	288,339	208,713
Bills for collection	548,590	761,713	548,590	761,713
<b>Commitments</b>	<b>115,742,924</b>	<b>102,608,399</b>	<b>115,742,924</b>	<b>102,608,399</b>
Undrawn commitments	113,621,866	100,487,341	113,621,866	100,487,341
Capital commitments	2,121,058	2,121,058	2,121,058	2,121,058
<b>Sub Total</b>	<b>172,737,597</b>	<b>159,414,784</b>	<b>172,737,597</b>	<b>159,414,784</b>
<b>By product - Foreign Currency</b>				
<b>Contingencies</b>	<b>396,261,838</b>	<b>359,275,330</b>	<b>395,106,109</b>	<b>358,429,138</b>
Guarantees	15,171,279	23,299,714	15,162,374	24,032,167
Bonds	20,018,297	56,198,995	19,092,315	55,109,955
Documentary Credits	58,571,159	48,660,954	58,531,499	48,546,705
Forward exchange and Currency Swaps	194,503,393	121,722,586	194,503,393	121,722,586
Acceptances	29,031,921	32,692,926	29,031,921	32,692,926
Bills for collection	76,892,422	73,719,512	76,711,240	73,719,512
Bullion on consignment	24,433	27,429	24,433	27,429
Other Contingencies	2,048,934	2,953,214	2,048,934	2,577,858
<b>Commitments</b>	<b>36,334,172</b>	<b>36,841,423</b>	<b>34,277,996</b>	<b>31,577,777</b>
Undrawn commitments	36,202,065	36,684,519	34,277,996	31,577,777
Capital commitments	132,107	156,904	-	-
<b>Sub Total</b>	<b>432,596,010</b>	<b>396,116,753</b>	<b>429,384,105</b>	<b>390,006,915</b>
<b>Total</b>	<b>605,333,607</b>	<b>555,531,537</b>	<b>602,121,702</b>	<b>549,421,699</b>

	Group		Bank	
	2023	2022	2023	2022
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Movement of impairment during the period</b>				
<b>Under Stage 1</b>				
Balance as at January 1,	3,857,396	2,090,696	3,832,621	2,082,029
Charge/(write back) to the Income Statement	1,253,071	1,564,590	1,267,088	1,556,600
Exchange rate variance on foreign currency provisions	(194,744)	202,110	(191,705)	193,992
<b>Balance as at June 30/December 31,</b>	<b>4,915,723</b>	<b>3,857,396</b>	<b>4,908,004</b>	<b>3,832,621</b>
<b>Under Stage 2</b>				
Balance as at January 1,	1,605,681	814,948	1,605,681	814,948
Charge/(write back) to the Income Statement	(318,168)	687,280	(318,173)	687,280
Exchange rate variance on foreign currency provisions	(20,885)	103,453	(20,885)	103,453
<b>Balance as at June 30/December 31,</b>	<b>1,266,628</b>	<b>1,605,681</b>	<b>1,266,623</b>	<b>1,605,681</b>
<b>Under Stage 3</b>				
Balance as at January 1,	2,449,385	2,459,923	2,449,385	2,459,923
Charge/(write back) to the Income Statement	188,620	(55,814)	188,338	(55,814)
Exchange rate variance on foreign currency provisions	(18)	45,276	-	45,276
<b>Balance as at June 30/December 31,</b>	<b>2,637,987</b>	<b>2,449,385</b>	<b>2,637,723</b>	<b>2,449,385</b>
<b>Total Impairment</b>				
Balance as at January 1,	7,912,462	5,365,567	7,887,687	5,356,900
Charge/(write back) to the Income Statement	1,123,523	2,196,056	1,137,253	2,188,066
Exchange rate variance on foreign currency provisions	(215,647)	350,839	(212,590)	342,721
<b>Balance as at June 30/December 31,</b>	<b>8,820,338</b>	<b>7,912,462</b>	<b>8,812,350</b>	<b>7,887,687</b>

## ANALYSIS OF DEPOSITS

	Group		Bank	
	30.06.2023	31.12.2022	30.06.2023	31.12.2022
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>As at</b>				
<b>By product - Domestic Currency</b>				
Current account deposits	83,679,264	86,197,384	83,681,990	86,197,776
Savings deposits	391,939,991	362,455,763	392,056,521	362,666,802
Time deposits	816,365,269	794,859,320	812,456,744	791,034,117
Certificates of deposit	17,202	22,302	17,202	22,302
<b>Sub Total</b>	<b>1,292,001,726</b>	<b>1,243,534,769</b>	<b>1,288,212,457</b>	<b>1,239,920,997</b>
<b>By product - Foreign Currency</b>				
Current account deposits	135,328,451	132,032,767	114,424,058	105,720,231
Savings deposits	160,651,328	191,459,487	147,722,263	179,730,080
Time deposits	370,709,308	410,716,638	349,716,102	388,988,186
<b>Sub Total</b>	<b>666,689,087</b>	<b>734,208,892</b>	<b>611,862,423</b>	<b>674,438,497</b>
<b>Total</b>	<b>1,958,690,813</b>	<b>1,977,743,661</b>	<b>1,900,074,880</b>	<b>1,914,359,494</b>

**GENERAL****NAME OF COMPANY**

Commercial Bank of Ceylon PLC

**COMPANY REGISTRATION NUMBER**

PQ116

**LEGAL FORM**

A public limited liability company incorporated in Sri Lanka on June 25, 1969 under the Companies Ordinance No. 51 of 1938 and quoted in the Colombo Stock Exchange in March 1970. The Company was re-registered under the Companies Act No.7 of 2007. A licensed Commercial Bank under the Banking Act No.30 of 1988.

**ACCOUNTING YEAR END**

December 31

**TAX PAYER IDENTIFICATION NUMBER (TIN)**

124006007

**REGISTERED OFFICE**

"Commercial House",  
No. 21, Sir Razik Fareed Mawatha,  
P.O. Box 856,  
Colombo 1, Sri Lanka.  
Telephone (General):  
+94 11 248 6000-5 (5 lines), 4486000,  
7486000,5486000  
SWIFT Code-Sri Lanka : CCEYLKLX  
SWIFT Code-Bangladesh : CCEYBDDH  
E-mail : info@combank.net  
Website : <http://www.combank.lk>

**HEAD OFFICE**

"Commercial House",  
No. 21, Sir Razik Fareed Mawatha,  
P.O. Box 856,  
Colombo 1, Sri Lanka.

**STOCK EXCHANGE LISTING**

The Ordinary Shares and the Unsecured Subordinated Redeemable Debentures of the Bank are listed on the Colombo Stock Exchange.

**COMPLIANCE OFFICER**

Ms. A. V. P. K. T. Amarasinghe  
Assistant General Manager - Compliance

**CREDIT RATINGS**

**Sri Lanka Operation**  
A(lka) (rating watch negative) by Fitch Ratings Lanka Limited in June 2023

**Bangladesh Operation**

AAA was re-affirmed by Credit Rating Information & Services Limited in June 2023.

**PROFESSIONAL EXPERTISE****LAWYERS**

Messrs Julius & Creasy,  
No. 371, R. A. de Mel Mawatha,  
Colombo 3, Sri Lanka.

**AUDITORS**

Messrs Ernst & Young  
Chartered Accountants,  
No. 201, De Saram Place,  
Colombo 10, Sri Lanka.

**REGISTRARS**

Messrs S S P Corporate Services (Private) Limited,  
No. 101, Inner Flower Road,  
Colombo 3, Sri Lanka.  
Telephone: 011-2573894, 011-2576871  
Facsimile: 011-2573609  
E-mail: [sspsec@slt.net.lk](mailto:sspsec@slt.net.lk)

**SUBSIDIARIES AND ASSOCIATE****LOCAL SUBSIDIARIES**

Commercial Development Company PLC  
CBC Tech Solutions Limited  
CBC Finance Limited  
Commercial Insurance Brokers (Pvt) Ltd.

**FOREIGN SUBSIDIARIES**

Commercial Bank of Maldives Private Limited  
CBC Myanmar Microfinance Company Limited  
Commex Sri Lanka S.R.L - Italy (In the process of voluntary liquidation)

**ASSOCIATE**

Equity Investments Lanka Ltd.

**BOARD OF DIRECTORS & COMPANY SECRETARY****BOARD OF DIRECTORS**

Prof. A. K. W. Jayawardane - Chairman  
Mr. Sharhan Muhseen - Deputy Chairman  
Mr. S. C. U. Manatunge - Managing Director/Chief Executive Officer  
Mr. S. Prabagar - Chief Operating Officer  
Mr. L. D. Niyangoda  
Ms. N. T. M. S. Cooray  
Ms. Judy Lee  
Mr. Raja Senanayake  
Ms. D. L. T. S. Wijewardena  
Dr. S. Selliah  
Mr. D. N. L. Fernando  
Mr. P. M. Kumarasinghe

**COMPANY SECRETARY**

Mr. R. A. P. Rajapaksha