

INTERIM FINANCIAL STATEMENTS
For the six months ended June 30, 2021

Financial review for the six months ended June 30, 2021

ComBank notches 3rd Rs 1 Trillion mark in Balance Sheet in dynamic Q2

- Loan book surpasses Rs 1Tn., joining Assets & Deposits; first private bank to achieve feat
- 6-month net interest income up 36.86% to Rs 31.2 billion
- CASA ratio continues to improve, among best in industry at 45.37%
- Impairment charges rise by 47.44% to Rs 13.654 billion
- Provision cover solid at 60.37%; net NPL ratio improves to 1.97%

A strong second quarter, during which its loan book crossed the milestone of Rs 1 trillion, another first by a local private bank, has generated noteworthy growth in key indicators for the Commercial Bank of Ceylon Group for the six months ended 30th June 2021. The Bank's assets crossed this threshold in 2016 while deposits achieved it in 2019.

Comprising of Sri Lanka's largest private sector bank, its subsidiaries and an associate, the Group reported gross income of Rs 79.931 billion for the period, reflecting a growth of 6.34% over the corresponding six months of 2020 and an improvement of 11.23% in the second quarter of 2021.

The Group converted the first quarter's negative growth of 2% in interest income to an improvement of 9% in the second quarter, to end the first half of 2021 with interest income of Rs 63.355 billion, which was an increase of 3.2% over the first half of last year. With interest expenses for the six months down 16.65% to Rs 32.197 billion, the Group posted a net interest income of Rs 31.158 billion for the period under review, achieving a growth of 36.86% and 57.06% respectively for the six months and the second quarter.

Net fee and commission income grew by 39.74% to Rs 5.712 billion with the second quarter alone achieving a growth of 63.90%. Other income (comprising of net gains/losses from trading, net gains/losses from de-recognition of financial assets and net other operating income) grew by 10.39% to Rs 9.474 billion, with the comparatively lower percentage attributed to the higher gains of 2020 from the sale of bonds.

Total operating income of the Group for the six months grew by 30.78% to Rs 46.344 billion, while impairment charges and provisions for other losses rose by 47.44% to Rs 13.654 billion consequent to a management decision to make provisions on a prudent basis, for exposures to identified risk-elevated industries.

The increase in operating income from the growth in lending, an improvement in net fees & commission income and significant gains in some of the components of other income was partly offset by a substantial growth in impairment charges in the six months reviewed.

As a result, net operating income grew by 24.88% to Rs 32.690 billion, but with operating expenses being restricted to Rs 14.079 billion, an increase of 8.42%, the Group posted an operating profit of Rs 18.611 billion before VAT on financial services for the six months, reflecting robust growth of 41.09% over the corresponding six months of the previous year. VAT on financial services increased by 37.82% to Rs 2.857 billion resulting in the Group achieving profit before income tax of Rs 15.754 billion for the first half of 2021, an improvement of 41.71% over the corresponding six months of 2020.

Income tax for the period under review amounted to Rs 3.400 billion, down 7.33% as a result of a reversal of excess in provisions for income tax made in 2020. This was due to the Bank's provisions for income tax being computed at 28% on the basis that the 24% rate proposed in the last government budget to be effective from 1st January 2020, had not been enacted. The excess provision was reversed during the first quarter of 2021 as advised by the CA Sri Lanka.

Consequently, the Commercial Bank Group posted profit after tax of Rs 12.354 billion for the six months recording a growth of 65.87%, with growth in the second quarter alone amounting to 52.93%. Taken separately, Commercial Bank of Ceylon PLC reported profit before tax of Rs 15.420 billion for the period, a growth of 47.61% and profit after tax of Rs 12.134 billion, an improvement of 74.31%.

Total assets of the Group grew by Rs 172 billion or 9.77% over the six months to Rs 1.935 trillion as at 30th June 2021. Asset growth over the preceding 12 months was Rs 368 billion or 23.49% YoY.

Gross loans and advances increased by Rs 72.164 billion or 7.50% to Rs 1.034 trillion, recording a monthly average growth of Rs 12 billion over the six months. The growth of the loan book over the preceding year was 9.82%.

Total deposits of the Group recorded an impressive growth of Rs 118 billion or 9.20% in the six months reviewed at a monthly average of Rs 19.7 billion to Rs 1.405 trillion as at 30th June 2021. Deposit growth over the preceding 12 months was Rs 250 billion or 21.63% at a monthly average of Rs 20.8 billion.

The Bank's CASA ratio had improved to 45.37% from 42.72% at the end of 2020 and 40.79% at end June 2020. The Bank also sustained steady improvements in capital adequacy ratios, non-performing loan ratios, provision cover and interest margins while grappling with the challenges posed by the

global pandemic. Further, the Bank extended its fullest support for the implementation of Government initiatives to minimise the impact of COVID-19 on businesses and the community and to stabilise the economy. This included providing relief to borrowers and participating in the 'Saubhagya' loan scheme in addition to implementing the Bank's own concessionary lending schemes. The Bank believes that it now has a blueprint for achieving well-balanced growth in adverse conditions that will be of value in the years ahead.

In other key indicators, the Bank's Tier 1 Capital Adequacy Ratio (CAR) stood at 13.519% as at 30th June 2021, and its Total Capital Ratio at 16.880%, both comfortably above the revised minimum requirements of 9% and 13% respectively imposed by the regulator consequent to the COVID-19 pandemic.

The Bank's gross non-performing loans (NPL) ratio improved to 4.97% from 5.11% at end 2020 and 5.37% a year previously, while its net NPL ratio improved to 1.97% from 2.18% as at 31st December 2020 and 3.19% as at 30th June 2020. As a result, provision cover based on regulatory requirements improved to 60.37% at the end of the reviewed six months, from 57.42% at end 2020 and 40.63% a year previously.

The Bank's interest margin also improved to 3.36% from 3.17% for the year 2020, and 3.04% for the first half of the previous year. Return on assets (before taxes) and return on equity stood at 1.71% and 15.16% respectively for the six months ended 30th June 2021 compared to 1.51% and 11.28% for 2020 and 1.43% and 10.21% for the first half of 2020.

The Bank improved its cost to income ratio inclusive of VAT on financial services to 36.38% from 39.96% at end 2020 and 42.51% a year previously. The cost to income ratio excluding VAT on financial services improved similarly, from 36.54% a year ago to 33.95% at 31st December 2020 and 30.09% at the end of the six months under review.

Sri Lanka's first fully carbon neutral bank, the first Sri Lankan bank to be listed among the Top 1000 Banks of the World and the only Sri Lankan bank to be so listed for 11 years consecutively, Commercial Bank operates a network of 268 branches and 931 automated machines in Sri Lanka. The Bank's overseas operations encompass Bangladesh, where the Bank operates 19 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		
	30.06.2021 Rs.'000	30.06.2020 Rs.'000	Change %	30.06.2021 Rs.'000	30.06.2020 Rs.'000	Change %
Gross income	79,931,495	75,167,426	6.34	39,026,067	35,086,971	11.23
Interest income	63,355,028	61,393,254	3.20	31,660,505	29,038,454	9.03
Less : Interest expense	32,196,996	38,626,494	(16.65)	15,979,194	19,054,354	(16.14)
Net interest income	31,158,032	22,766,760	36.86	15,681,311	9,984,100	57.06
Fee and commission income	7,102,410	5,191,549	36.81	3,552,087	2,083,946	70.45
Less: Fee and commission expense	1,390,163	1,103,850	25.94	863,162	443,308	94.71
Net fee and commission income	5,712,247	4,087,699	39.74	2,688,925	1,640,638	63.90
Net gains/(losses) from trading	1,424,864	(58,185)	2,548.85	1,210,289	2,289,819	(47.14)
Net gains/(losses) from derecognition of financial assets	2,835,868	2,134,526	32.86	1,060,265	1,772,860	(40.19)
Net other operating income	5,213,325	6,506,282	(19.87)	1,542,921	(98,108)	1,672.68
Total operating income	46,344,336	35,437,082	30.78	22,183,711	15,589,309	42.30
Less : Impairment charges and other losses	13,654,441	9,260,824	47.44	6,498,391	2,607,571	149.21
Net operating income	32,689,895	26,176,258	24.88	15,685,320	12,981,738	20.83
Less: Expenses	14,079,182	12,985,664	8.42	7,027,069	6,239,024	12.63
Personnel expenses	7,991,562	7,483,530	6.79	3,917,539	3,642,562	7.55
Depreciation and amortisation	1,588,002	1,570,749	1.10	825,735	901,930	(8.45)
Other operating expenses	4,499,618	3,931,385	14.45	2,283,795	1,694,532	34.77
Operating profit before Value Added Tax on financial services	18,610,713	13,190,594	41.09	8,658,251	6,742,714	28.41
Less: Value Added Tax on financial services	2,857,470	2,073,295	37.82	1,309,314	1,064,023	23.05
Operating profit after Value Added Tax on financial services	15,753,243	11,117,299	41.70	7,348,937	5,678,691	29.41
Share of profit/(loss) of associate, net of tax	413	(737)	156.04	546	177	208.47
Profit before income tax	15,753,656	11,116,562	41.71	7,349,483	5,678,868	29.42
Less : Income tax expense	3,400,119	3,668,985	(7.33)	1,793,203	2,045,674	(12.34)
Profit for the period	12,353,537	7,447,577	65.87	5,556,280	3,633,194	52.93
Profit attributable to:						
Equity holders of the Bank	12,257,282	7,373,761	66.23	5,507,737	3,609,052	52.61
Non-controlling interest	96,255	73,816	30.40	48,543	24,142	101.07
Profit for the period	12,353,537	7,447,577	65.87	5,556,280	3,633,194	52.93
Earnings per share (EPS)						
Basic earnings per ordinary share (Rs.)	10.27	7.01	46.50	4.61	3.43	34.40
Diluted earnings per ordinary share (Rs.)	10.26	7.01	46.36	4.61	3.43	34.40

	For the six months ended			For the quarter ended		
	30.06.2021	30.06.2020	Change	30.06.2021	30.06.2020	Change
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
Profit for the Period	12,353,537	7,447,577	65.87	5,556,280	3,633,194	52.93
Other comprehensive income, net of tax						
Items that will never be reclassified to profit or loss						
Net actuarial gains/(losses) on defined benefit plans	(28,970)	-	-	-	-	-
Gains/(losses) on remeasurement of defined benefit liability/asset	(838)	-	-	-	-	-
Less : Deferred tax on actuarial gains/(losses)	(28,132)	-	-	-	-	-
Net change in revaluation surplus	588,247	-	-	-	-	-
Changes in revaluation surplus/(deficit)	-	-	-	-	-	-
Less : Deferred tax on revaluation surplus	588,247	-	-	-	-	-
Net change in fair value on investments in equity	(41,061)	(40,063)	(2.49)	13,451	13,868	(3.01)
Change in fair value on investments in equity at fair value through other comprehensive income	(41,061)	(40,063)	(2.49)	13,451	13,868	(3.01)
Transfer of fair value (gains)/losses o/a reclassification of debt instruments from fair value through other comprehensive income to amortised cost, net of tax	-	183,957	-	-	183,957	-
Share of other comprehensive income/(expense) of associate, net of tax	(818)	(2,892)	71.72	92	(2,892)	103.18
Items that are or may be reclassified to profit or loss						
Net gains/(losses) arising from translating the Financial Statements of foreign operations	1,834,011	450,396	307.20	25,772	(712,154)	103.62
Net gains/(losses) on investment in financial assets at fair value through other comprehensive income	(618,873)	3,650,936	(116.95)	523,608	4,358,492	(87.99)
Fair value gains/(losses) that arose during the period, net of tax	764,314	4,821,502	(84.15)	1,215,093	5,299,563	(77.07)
Fair value (gains)/losses realised to the Income Statement on disposal, net of tax	(2,155,260)	(1,539,106)	(40.03)	(805,802)	(1,278,706)	36.98
Fair value (gains)/losses recycled to the Income Statement as impairment, net of tax	772,073	368,540	109.50	114,317	337,635	(66.14)
Cash flow hedges - effective portion of changes in fair value, net of tax	13,333	(71,485)	118.65	22,206	439	4,958.31
Other comprehensive income/(expense) for the period, net of taxes	1,745,869	4,170,849	(58.14)	585,129	3,841,710	(84.77)
Total comprehensive income for the period	14,099,406	11,618,426	21.35	6,141,409	7,474,904	(17.84)
Attributable to:						
Equity holders of the Bank	13,888,596	11,513,643	20.63	6,073,598	7,478,048	(18.78)
Non-controlling interest	210,810	104,783	101.19	67,811	(3,144)	2,256.84
Total comprehensive income for the period	14,099,406	11,618,426	21.35	6,141,409	7,474,904	(17.84)

INCOME STATEMENT - BANK

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	For the six months ended			For the quarter ended		
	30.06.2021	30.06.2020	Change	30.06.2021	30.06.2020	Change
	(Audited)	(Audited)				
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
Gross income	78,530,000	74,087,705	6.00	38,296,544	34,643,327	10.55
Interest income	62,190,683	60,529,822	2.74	31,059,850	28,638,162	8.46
Less : Interest expense	31,912,618	38,402,091	(16.90)	15,833,688	18,936,384	(16.38)
Net interest income	30,278,065	22,127,731	36.83	15,226,162	9,701,778	56.94
Fee and commission income	6,840,254	4,917,554	39.10	3,430,272	1,965,277	74.54
Less: Fee and commission expense	1,382,378	1,096,634	26.06	859,288	437,530	96.40
Net fee and commission income	5,457,876	3,820,920	42.84	2,570,984	1,527,747	68.29
Net gains/(losses) from trading	1,424,864	(58,185)	2,548.85	1,210,289	2,289,819	(47.14)
Net gains/(losses) from derecognition of financial assets	2,835,868	2,134,526	32.86	1,060,265	1,772,860	(40.19)
Net other operating income	5,238,331	6,563,988	(20.20)	1,535,868	(22,791)	6,838.92
Total operating income	45,235,004	34,588,980	30.78	21,603,568	15,269,413	41.48
Less :Impairment charges for loans and other losses	13,358,042	9,440,652	41.49	6,306,004	2,895,956	117.75
Net operating income	31,876,962	25,148,328	26.76	15,297,564	12,373,457	23.63
Less: Expenses	13,610,560	12,637,750	7.70	6,750,978	6,101,659	10.64
Personnel expenses	7,748,282	7,279,809	6.44	3,792,653	3,538,108	7.19
Depreciation and amortisation	1,566,515	1,512,505	3.57	816,986	863,198	(5.35)
Other expenses	4,295,763	3,845,436	11.71	2,141,339	1,700,353	25.93
Operating profit before Value Added Tax on financial services	18,266,402	12,510,578	46.01	8,546,586	6,271,798	36.27
Less: Value Added Tax on financial services	2,846,800	2,064,495	37.89	1,310,163	1,054,272	24.27
Profit before income tax	15,419,602	10,446,083	47.61	7,236,423	5,217,526	38.69
Less : Income tax expense	3,285,746	3,484,972	(5.72)	1,760,639	1,962,981	(10.31)
Profit for the period	12,133,856	6,961,111	74.31	5,475,784	3,254,545	68.25
Earnings per share (EPS)						
Basic earnings per ordinary share (Rs.)	10.16	6.62	53.47	4.59	3.09	48.54
Diluted earnings per ordinary share (Rs.)	10.16	6.62	53.47	4.59	3.09	48.54

	For the six months ended			For the quarter ended		
	30.06.2021	30.06.2020	Change	30.06.2021	30.06.2020	Change
	(Audited) Rs.'000	(Audited) Rs.'000	%	Rs.'000	Rs.'000	%
Profit for the period	12,133,856	6,961,111	74.31	5,475,784	3,254,545	68.25
Other comprehensive income, net of tax						
Items that will never be reclassified to profit or loss						
Net actuarial gains/(losses) on defined benefit plans	(28,904)	-	-	-	-	-
Gains/(losses) on remeasurement of defined benefit liability/asset	-	-	-	-	-	-
Less : Deferred tax on actuarial gains/(losses)	(28,904)	-	-	-	-	-
Net change in revaluation surplus	532,740	-	-	-	-	-
Changes in revaluation surplus/(deficit)	-	-	-	-	-	-
Less : Deferred tax on revaluation surplus	532,740	-	-	-	-	-
Net change in fair value on investments in equity	(41,061)	(40,063)	(2.49)	13,451	13,868	(3.01)
Change in fair value on investments in equity at fair value through other comprehensive income	(41,061)	(40,063)	(2.49)	13,451	13,868	(3.01)
Transfer of fair value gains/(losses) o/a reclassification of debt instruments from fair value through other comprehensive income to amortised cost, net of tax	-	183,957	-	-	183,957	-
Items that are or may be reclassified to profit or loss						
Net gains/(losses) arising from translating the Financial Statements of foreign operations	1,654,237	335,665	392.82	32,128	(649,054)	104.95
Net gains/(losses) on investment in financial assets at fair value through other comprehensive income	(619,817)	3,650,439	(116.98)	522,968	4,357,995	(88.00)
Fair value gains/(losses) that arose during the period, net of tax	763,370	4,821,005	(84.17)	1,214,453	5,299,066	(77.08)
Fair value (gains)/losses realised to the Income Statement on disposal, net of tax	(2,155,260)	(1,539,106)	(40.03)	(805,802)	(1,278,706)	36.98
Fair value (gains)/losses recycled to the Income Statement as impairment, net of tax	772,073	368,540	109.50	114,317	337,635	(66.14)
Cash flow hedges - effective portion of changes in fair value, net of tax	13,333	(71,485)	118.65	22,206	439	4,958.31
Other comprehensive income/(expense) for the period, net of taxes	1,510,528	4,058,513	(62.78)	590,753	3,907,205	(84.88)
Total comprehensive income for the period	13,644,384	11,019,624	23.82	6,066,537	7,161,750	(15.29)

STATEMENT OF FINANCIAL POSITION

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As at	Group			Bank		
	30.06.2021	31.12.2020	Change	30.06.2021	31.12.2020	Change
	(Audited)	(Audited)		(Audited)	(Audited)	
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
ASSETS						
Cash and cash equivalents	67,888,744	51,255,030	32.45	66,211,229	50,250,627	31.76
Balances with Central Banks	84,715,615	115,358,732	(26.56)	80,197,728	110,971,105	(27.73)
Placements with banks	7,625,796	16,421,867	(53.56)	7,082,629	15,938,982	(55.56)
Securities purchased under resale agreements	-	-	-	-	-	-
Derivative financial assets	3,105,697	2,636,717	17.79	3,105,697	2,636,717	17.79
Financial assets recognised through profit or loss - measured at fair value	34,171,453	35,189,471	(2.89)	34,171,453	35,189,471	(2.89)
Financial assets at amortised cost - Loans and advances to banks	837,037	779,705	7.35	837,037	779,705	7.35
Financial assets at amortised cost - Loans and advances to other customers	971,894,929	909,829,172	6.82	957,384,317	896,845,453	6.75
Financial assets at amortised cost - Debt and other financial instruments	375,044,696	302,059,529	24.16	361,301,611	292,727,566	23.43
Financial assets measured at fair value through other comprehensive income	335,866,978	278,716,794	20.50	335,862,629	278,461,369	20.61
Investments in subsidiaries	-	-	-	5,808,429	5,808,429	-
Investment in associate	63,749	64,155	(0.63)	44,331	44,331	-
Property, plant and equipment and right-of-use assets	25,232,279	25,386,630	(0.61)	23,544,270	23,212,394	1.43
Investment properties	67,900	67,116	1.17	-	-	-
Intangible assets	1,868,300	1,800,516	3.76	1,311,076	1,232,863	6.34
Deferred tax assets	5,173,206	2,735,566	89.11	4,917,109	2,499,860	96.70
Other assets	21,168,312	20,195,153	4.82	21,108,274	19,619,149	7.59
Total Assets	1,934,724,691	1,762,496,153	9.77	1,902,887,819	1,736,218,021	9.60
LIABILITIES						
Due to banks	103,006,874	88,248,056	16.72	102,474,262	87,451,306	17.18
Derivative financial liabilities	2,609,946	1,501,262	73.85	2,609,946	1,501,262	73.85
Securities sold under repurchase agreements	113,577,165	91,411,522	24.25	114,066,400	91,437,612	24.75
Financial liabilities at amortised cost - due to depositors	1,405,045,018	1,286,616,399	9.20	1,378,167,491	1,265,965,918	8.86
Financial liabilities at amortised cost - other borrowings	50,377,494	54,555,933	(7.66)	50,377,494	54,555,933	(7.66)
Current tax liabilities	8,775,280	6,991,005	25.52	8,532,714	6,777,992	25.89
Deferred tax liabilities	344,335	403,846	(14.74)	-	-	-
Other liabilities	46,354,848	33,572,283	38.07	46,172,569	33,037,669	39.76
Due to subsidiaries	-	-	-	98,567	97,015	1.60
Subordinated liabilities	34,704,218	38,247,138	(9.26)	34,704,218	38,247,138	(9.26)
Total Liabilities	1,764,795,178	1,601,547,444	10.19	1,737,203,661	1,579,071,845	10.01

STATEMENT OF FINANCIAL POSITION

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As at	Group			Bank		
	30.06.2021	31.12.2020	Change	30.06.2021	31.12.2020	Change
	(Audited)	(Audited)		(Audited)	(Audited)	
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
EQUITY						
Stated capital	54,565,350	52,187,747	4.56	54,565,350	52,187,747	4.56
Statutory reserves	9,287,728	9,285,233	0.03	9,024,065	9,024,065	-
Retained earnings	12,848,919	8,124,261	58.15	12,200,306	7,596,260	60.61
Other reserves	91,273,009	89,595,571	1.87	89,894,437	88,338,104	1.76
Total equity attributable to equity holders of the Bank	167,975,006	159,192,812	5.52	165,684,158	157,146,176	5.43
Non-controlling Interest	1,954,507	1,755,897	11.31	-	-	-
Total Equity	169,929,513	160,948,709	5.58	165,684,158	157,146,176	5.43
Total Liabilities and Equity	1,934,724,691	1,762,496,153	9.77	1,902,887,819	1,736,218,021	9.60
Contingent Liabilities and Commitments	744,326,170	730,561,685	1.88	740,650,015	728,711,698	1.64
Net Assets Value per Ordinary Share (Rs.)	140.66	136.42	3.11	138.74	134.67	3.02
Memorandum Information						
Number of Employees				5,020	5,057	
Number of Customer Service Centers				287	287	

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 have been extracted from the unaudited Financial Statements of the Group & the Bank, unless indicated as audited.

(Sgd.) Justice K. Sripavan

Chairman

August 12, 2021

Colombo

(Sgd.) S. Renganathan

Managing Director/Chief Executive Officer

	Stated Capital	Statutory Reserve Fund	Retained Earnings	Other Reserves						Shareholders' Funds	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	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 01.01.2020 - Audited	40,916,958	8,387,701	5,182,185	7,837,785	1,783,503	2,765,992	(38,372)	468,494	67,120,003	134,424,249	1,589,234	136,013,483
Total comprehensive income for the six months ended 30.06.2020												
Profit for the six months ended 30.06.2020	-	-	7,373,761	-	-	-	-	-	-	7,373,761	73,816	7,447,577
Other comprehensive income for the six months ended 30.06.2020	-	-	-	-	3,791,938	419,429	(71,485)	-	-	4,139,882	30,967	4,170,849
Total comprehensive income for the six months ended 30.06.2020	-	-	7,373,761	-	3,791,938	419,429	(71,485)	-	-	11,513,643	104,783	11,618,426
Transactions with owners, recognized directly in equity, contributions by and distributions to owners												
Dividends to equity holders												
Second interim dividend for 2019	-	-	(3,082,520)	-	-	-	-	-	-	(3,082,520)	-	(3,082,520)
Final dividend for 2019 satisfied in the form of issue and allotment of new shares	2,055,014	-	(2,055,014)	-	-	-	-	-	-	-	-	-
Final cash dividend for 2019	-	-	-	-	-	-	-	-	-	-	(13,620)	(13,620)
Transfers during the period	-	3,449	(3,449)	-	-	-	-	-	-	-	-	-
Total transactions with equity holders	2,055,014	3,449	(5,140,983)	-	-	-	-	-	-	(3,082,520)	(13,620)	(3,096,140)
Balance as at 30.06.2020	42,971,972	8,391,150	7,414,963	7,837,785	5,575,441	3,185,421	(109,857)	468,494	67,120,003	142,855,372	1,680,397	144,535,769
Total comprehensive income for the six months ended 31.12.2020												
Profit for the six months ended 31.12.2020	-	-	9,566,189	-	-	-	-	-	-	9,566,189	73,031	9,639,220
Other comprehensive income for the six months ended 31.12.2020	-	-	(225,018)	2,662,469	(5,111,557)	140,503	7,346	-	-	(2,526,257)	15,489	(2,510,768)
Total comprehensive income for the six months ended 31.12.2020	-	-	9,341,171	2,662,469	(5,111,557)	140,503	7,346	-	-	7,039,932	88,520	7,128,452
Transactions with owners, recognized directly in equity, contributions by and distributions to owners												
Proceeds from the issue of ordinary voting shares to IFC parties (Private placement)	9,215,775	-	-	-	-	-	-	-	-	9,215,775	-	9,215,775
Transfer of cost o/a of expired ESOP Shares (net of tax)	-	-	105,980	-	-	-	-	(147,194)	-	(41,214)	-	(41,214)
Dividends to equity holders												
Unclaimed dividend absorbed / (dividend paid) in respect of previous years	-	-	100	-	-	-	-	-	-	100	24	124
First interim dividend for 2020	-	-	-	-	-	-	-	-	-	-	(2,400)	(2,400)
Share-based Payment transactions	-	-	-	-	-	-	-	112,203	-	112,203	-	112,203
Movement due to change in ownership	-	-	6,130	4,514	-	-	-	-	-	10,644	(10,644)	-
Transfers during the period	-	894,083	(8,744,083)	-	-	-	-	-	7,850,000	-	-	-
Total transactions with equity holders	9,215,775	894,083	(8,631,873)	4,514	-	-	-	(34,991)	7,850,000	9,297,508	(13,020)	9,284,488
Balance as at 31.12.2020 - Audited	52,187,747	9,285,233	8,124,261	10,504,768	463,884	3,325,924	(102,511)	433,503	74,970,003	159,192,812	1,755,897	160,948,709
Total comprehensive income for the six months ended 30.06.2021												
Profit for the six months ended 30.06.2021	-	-	12,257,282	-	-	-	-	-	-	12,257,282	96,255	12,353,537
Other comprehensive income for the six months ended 30.06.2021	-	-	(29,223)	579,392	(660,752)	1,728,564	13,333	-	-	1,631,314	114,555	1,745,869
Total comprehensive income for the six months ended 30.06.2021	-	-	12,228,059	579,392	(660,752)	1,728,564	13,333	-	-	13,888,596	210,810	14,099,406
Transactions with owners, recognized directly in equity, contributions by and distributions to owners												
Issue of Ordinary Shares under Employee Share Option Plans [ESOPs]	39,388	-	-	-	-	-	-	-	-	39,388	-	39,388
Transfer o/a Share-based Payment transactions	3,517	-	-	-	-	-	-	(3,517)	-	-	-	-
Dividends to equity holders												
First & Final dividend for 2020 satisfied in the form of cash	-	-	(5,253,070)	-	-	-	-	-	-	(5,253,070)	-	(5,253,070)
First & Final dividend for 2020 satisfied in the form of issue and allotment of new shares	2,334,698	-	(2,334,698)	-	-	-	-	-	-	-	-	-
Final cash dividend for 2020	-	-	-	-	-	-	-	-	-	-	(12,200)	(12,200)
Unclaimed dividend absorbed/(dividend paid) in respect of previous years	-	-	86,862	-	-	-	-	-	-	86,862	-	86,862
Share-based Payment transactions	-	-	-	-	-	-	-	20,418	-	20,418	-	20,418
Transfers during the period	-	2,495	(2,495)	-	-	-	-	-	-	-	-	-
Total transactions with equity holders	2,377,603	2,495	(7,503,401)	-	-	-	-	16,901	-	(5,106,402)	(12,200)	(5,118,602)
Balance as at 30.06.2021	54,565,350	9,287,728	12,848,919	11,084,160	(196,868)	5,054,488	(89,178)	450,404	74,970,003	167,975,006	1,954,507	169,929,513

	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 01.01.2020 - Audited	40,916,958	8,205,391	5,144,433	7,088,054	1,785,441	2,471,983	(38,372)	468,494	67,120,003	133,162,385
Total comprehensive income for the six months ended 30.06.2020										
Profit for the six months ended 30.06.2020	-	-	6,961,111	-	-	-	-	-	-	6,961,111
Other comprehensive income for the six months ended 30.06.2020	-	-	-	-	3,794,333	335,665	(71,485)	-	-	4,058,513
Total comprehensive income for the six months ended 30.06.2020	-	-	6,961,111	-	3,794,333	335,665	(71,485)	-	-	11,019,624
Transactions with owners, recognized directly in equity, contributions by and distributions to owners										
Dividends to equity holders										
Second interim dividend for 2019	-	-	(3,082,520)	-	-	-	-	-	-	(3,082,520)
Final dividend for 2019 satisfied in the form of issue and allotment of new shares	2,055,014	-	(2,055,014)	-	-	-	-	-	-	-
Total transactions with equity holders	2,055,014	-	(5,137,534)	-	-	-	-	-	-	(3,082,520)
Balance as at 30.06.2020- Audited	42,971,972	8,205,391	6,968,010	7,088,054	5,579,774	2,807,648	(109,857)	468,494	67,120,003	141,099,489
Total comprehensive income for the six months ended 31.12.2020										
Profit for the six months ended 31.12.2020	-	-	9,412,378	-	-	-	-	-	-	9,412,378
Other comprehensive income for the six months ended 31.12.2020	-	-	(221,320)	2,574,858	(5,117,443)	104,218	7,346	-	-	(2,652,341)
Total comprehensive income for the six months ended 31.12.2020	-	-	9,191,058	2,574,858	(5,117,443)	104,218	7,346	-	-	6,760,037
Transactions with owners, recognized directly in equity, contributions by and distributions to owners										
Proceeds from the issue of ordinary voting shares to IFC parties (Private placement)	9,215,775	-	-	-	-	-	-	-	-	9,215,775
Transfer of cost o/a of expired ESOP Shares (net of tax)	-	-	105,980	-	-	-	-	(147,194)	-	(41,214)
Dividends to equity holders										
Unclaimed dividend absorbed / (dividend paid) in respect of previous years	-	-	(114)	-	-	-	-	-	-	(114)
Share-based Payment transactions	-	-	-	-	-	-	-	112,203	-	112,203
Transfers during the period	-	818,674	(8,668,674)	-	-	-	-	-	7,850,000	-
Total transactions with equity holders	9,215,775	818,674	(8,562,808)	-	-	-	-	(34,991)	7,850,000	9,286,650
Balance as at 31.12.2020 - Audited	52,187,747	9,024,065	7,596,260	9,662,912	462,331	2,911,866	(102,511)	433,503	74,970,003	157,146,176
Total comprehensive income for the six months ended 30.06.2021										
Profit for the six months ended 30.06.2021	-	-	12,133,856	-	-	-	-	-	-	12,133,856
Other comprehensive income for the six months ended 30.06.2021	-	-	(28,904)	532,740	(660,878)	1,654,237	13,333	-	-	1,510,528
Total comprehensive income for the six months ended 30.06.2021	-	-	12,104,952	532,740	(660,878)	1,654,237	13,333	-	-	13,644,384
Transactions with owners, recognized directly in equity, contributions by and distributions to owners										
Issue of Ordinary Shares under Employee Share Option Plans [ESOPs]	39,388	-	-	-	-	-	-	-	-	39,388
Transfer o/a Share-based Payment transactions	3,517	-	-	-	-	-	-	(3,517)	-	-
Dividends to equity holders										
First & Final dividend for 2020 satisfied in the form of cash	-	-	(5,253,070)	-	-	-	-	-	-	(5,253,070)
First & Final dividend for 2020 satisfied in the form of issue and allotment of new shares	2,334,698	-	(2,334,698)	-	-	-	-	-	-	-
Unclaimed dividend absorbed/(dividend paid) in respect of previous years	-	-	86,862	-	-	-	-	-	-	86,862
Share-based Payment transactions	-	-	-	-	-	-	-	20,418	-	20,418
Total transactions with equity holders	2,377,603	-	(7,500,906)	-	-	-	-	16,901	-	(5,106,402)
Balance as at 30.06.2021 - Audited	54,565,350	9,024,065	12,200,306	10,195,652	(198,547)	4,566,103	(89,178)	450,404	74,970,003	165,684,158

STATEMENT OF CASH FLOWS

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<i>For the six months ended June 30,</i>	Group		Bank	
	2021	2020	2021	2020
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash Flows from Operating Activities				
Profit before income tax	15,753,656	11,116,562	15,419,602	10,446,083
Adjustments for:				
Non-cash items included in profit before tax	16,617,538	11,114,490	16,306,304	11,244,366
Change in operating assets	(162,960,415)	(164,793,115)	(157,303,445)	(163,921,264)
Change in operating liabilities	165,207,415	149,266,354	159,580,057	148,510,631
(Gains)/losses on sale of property, plant and equipment	(3,618)	(73)	(3,439)	(9)
Share of profits from associate, net of tax	(413)	737	-	-
Dividend income from subsidiaries	-	-	(49,800)	(51,600)
Interest expense on subordinated liabilities	1,682,728	1,908,597	1,682,728	1,908,597
Benefits paid on defined benefit plans	(453,437)	(502,494)	(449,834)	(501,575)
Net unrealized gains/(losses) arising from translating the financial statements of foreign operations	1,834,011	450,396	1,654,237	335,665
Income tax paid	(3,316,735)	(4,323,073)	(3,201,353)	(4,264,057)
Net cash from/(used in) operating activities	34,360,730	4,238,381	33,635,057	3,706,837
Cash Flows from Investing Activities				
Purchase of property, plant and equipment	(542,117)	(527,192)	(477,787)	(479,837)
Proceeds from sale of property, plant and equipment	9,458	24	1,152	9
Purchase of financial investments	(5,000,000)	(300,000)	(5,000,000)	(300,000)
Proceeds from sale and maturity of financial investments	171,491	1,134,790	171,491	1,134,790
Purchase of intangible assets	(242,718)	(215,356)	(227,484)	(196,174)
Dividends received from investments in subsidiaries	-	-	49,800	51,600
Net cash from/(used in) investing activities	(5,603,886)	92,266	(5,482,828)	210,388
Cash Flows from Financing Activities				
Proceeds from issue of ordinary voting shares under Employee Share Option Plans	39,388	-	39,388	-
Redemption of subordinated liabilities	(4,430,340)	-	(4,430,340)	-
Interest paid on subordinated liabilities	(1,826,558)	(1,933,258)	(1,826,558)	(1,933,258)
Payment of lease liabilities/advance payment of right-of-use assets	(718,083)	(557,805)	(798,780)	(606,624)
Dividends paid to shareholders of the Bank	(5,166,208)	(3,082,520)	(5,166,208)	(3,082,520)
Dividends paid to non-controlling interest	(12,200)	(13,620)	-	-
Net cash from /(used in) financing activities	(12,114,001)	(5,587,203)	(12,182,498)	(5,622,402)
Net increase/(decrease) in cash & cash equivalents	16,642,843	(1,256,556)	15,969,731	(1,705,177)
Gross cash and cash equivalents as at January 1,	51,258,271	53,686,825	50,253,868	52,540,437
Gross cash and cash equivalents at end of the period	67,901,114	52,430,269	66,223,599	50,835,260
Less: Impairment charges	(12,370)	(5,107)	(12,370)	(5,107)
Cash and cash equivalents as per Statement of Financial Position (Net)	67,888,744	52,425,162	66,211,229	50,830,153

	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
FINANCIAL ASSETS				
Cash and cash equivalents		67,888,744		67,888,744
Balances with Central Banks		84,715,615		84,715,615
Placements with banks		7,625,796		7,625,796
Securities purchased under resale agreements		-		-
Derivative financial assets	3,105,697			3,105,697
Financial assets recognised through profit or loss - measured at fair value	34,171,453			34,171,453
Financial assets at amortised cost - Loans and advances to banks		837,037		837,037
Financial assets at amortised cost - Loans and advances to other customers		971,894,929		971,894,929
Financial assets at amortised cost - Debt and other financial instruments		375,044,696		375,044,696
Financial assets measured at fair value through other comprehensive income			335,866,978	335,866,978
Total financial assets	37,277,150	1,508,006,817	335,866,978	1,881,150,945
		Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at Amortised Cost (AC)	Total
		Rs.'000	Rs.'000	Rs.'000
FINANCIAL LIABILITIES				
Due to banks			103,006,874	103,006,874
Derivative financial liabilities		2,609,946		2,609,946
Securities sold under repurchase agreements			113,577,165	113,577,165
Financial liabilities at amortised cost - due to depositors			1,405,045,018	1,405,045,018
Financial liabilities at amortised cost - other borrowings			50,377,494	50,377,494
Subordinated liabilities			34,704,218	34,704,218
Total financial liabilities		2,609,946	1,706,710,769	1,709,320,715

	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
FINANCIAL ASSETS				
Cash and cash equivalents		51,255,030		51,255,030
Balances with Central Banks		115,358,732		115,358,732
Placements with banks		16,421,867		16,421,867
Securities purchased under resale agreements		-		-
Derivative financial assets	2,636,717			2,636,717
Financial assets recognised through profit or loss - measured at fair value	35,189,471			35,189,471
Financial assets at amortised cost - Loans and advances to banks		779,705		779,705
Financial assets at amortised cost - Loans and advances to other customers		909,829,172		909,829,172
Financial assets at amortised cost - Debt and other financial instruments		302,059,529		302,059,529
Financial assets measured at fair value through other comprehensive income			278,716,794	278,716,794
Total financial assets	37,826,188	1,395,704,035	278,716,794	1,712,247,017
		Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at Amortised Cost (AC)	Total
		Rs.'000	Rs.'000	Rs.'000
FINANCIAL LIABILITIES				
Due to banks			88,248,056	88,248,056
Derivative financial liabilities		1,501,262		1,501,262
Securities sold under repurchase agreements			91,411,522	91,411,522
Financial liabilities at amortised cost - due to depositors			1,286,616,399	1,286,616,399
Financial liabilities at amortised cost - other borrowings			54,555,933	54,555,933
Subordinated liabilities			38,247,138	38,247,138
Total financial liabilities		1,501,262	1,559,079,048	1,560,580,310

	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
FINANCIAL ASSETS				
Cash and cash equivalents		66,211,229		66,211,229
Balances with Central Banks		80,197,728		80,197,728
Placements with banks		7,082,629		7,082,629
Securities purchased under resale agreements		-		-
Derivative financial assets	3,105,697			3,105,697
Financial assets recognised through profit or loss - measured at fair value	34,171,453			34,171,453
Financial assets at amortised cost - Loans and advances to banks		837,037		837,037
Financial assets at amortised cost - Loans and advances to other customers		957,384,317		957,384,317
Financial assets at amortised cost - Debt and other financial instruments		361,301,611		361,301,611
Financial assets measured at fair value through other comprehensive income			335,862,629	335,862,629
Total financial assets	37,277,150	1,473,014,551	335,862,629	1,846,154,330
		Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at Amortised Cost (AC)	Total
		Rs.'000	Rs.'000	Rs.'000
FINANCIAL LIABILITIES				
Due to banks			102,474,262	102,474,262
Derivative financial liabilities		2,609,946		2,609,946
Securities sold under repurchase agreements			114,066,400	114,066,400
Financial liabilities at amortised cost - due to depositors			1,378,167,491	1,378,167,491
Financial liabilities at amortised cost - other borrowings			50,377,494	50,377,494
Subordinated liabilities			34,704,218	34,704,218
Total financial liabilities		2,609,946	1,679,789,865	1,682,399,811

	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
FINANCIAL ASSETS				
Cash and cash equivalents		50,250,627		50,250,627
Balances with Central Banks		110,971,105		110,971,105
Placements with banks		15,938,982		15,938,982
Securities purchased under resale agreements		-		-
Derivative financial assets	2,636,717			2,636,717
Financial assets recognised through profit or loss - measured at fair value	35,189,471			35,189,471
Financial assets at amortised cost - Loans and advances to banks		779,705		779,705
Financial assets at amortised cost - Loans and advances to other customers		896,845,453		896,845,453
Financial assets at amortised cost - Debt and other financial instruments		292,727,566		292,727,566
Financial assets measured at fair value through other comprehensive income			278,461,369	278,461,369
Total financial assets	37,826,188	1,367,513,438	278,461,369	1,683,800,995

	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at Amortised Cost (AC)	Total
	Rs. '000	Rs. '000	Rs. '000
FINANCIAL LIABILITIES			
Due to banks		87,451,306	87,451,306
Derivative financial liabilities	1,501,262		1,501,262
Securities sold under repurchase agreements		91,437,612	91,437,612
Financial liabilities at amortised cost - due to depositors		1,265,965,918	1,265,965,918
Financial liabilities at amortised cost - other borrowings		54,555,933	54,555,933
Subordinated liabilities		38,247,138	38,247,138
Total financial liabilities	1,501,262	1,537,657,907	1,539,159,169

Level 1

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

Accordingly, if available, the Bank measures the fair value of an instrument using active quoted prices or dealer price quotations without any deduction for transaction costs. 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 have a significant effect on the instrument's 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.

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
As at June 30, 2021	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Financial Assets								
Derivative financial assets	-	3,105,697	-	3,105,697	-	3,105,697	-	3,105,697
Financial assets recognized through profit or loss - measured at fair value	34,171,453	-	-	34,171,453	34,171,453	-	-	34,171,453
Financial assets measured at fair value through other comprehensive income	274,684,045	61,129,104	53,829	335,866,978	274,679,820	61,129,104	53,705	335,862,629
Total financial assets at fair value	308,855,498	64,234,801	53,829	373,144,128	308,851,273	64,234,801	53,705	373,139,779
Financial Liabilities								
Derivative financial liabilities	-	2,609,946	-	2,609,946	-	2,609,946	-	2,609,946
Total financial liabilities at fair value	-	2,609,946	-	2,609,946	-	2,609,946	-	2,609,946

	Group				Bank			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
As at December 31, 2020	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Financial Assets								
Derivative financial assets	-	2,636,717	-	2,636,717	-	2,636,717	-	2,636,717
Financial assets recognized through profit or loss - measured at fair value	35,189,471	-	-	35,189,471	35,189,471	-	-	35,189,471
Financial assets measured at fair value through other comprehensive income	223,829,148	56,511,184	52,296	280,392,628	223,573,847	56,511,184	52,172	280,137,203
Total financial assets at fair value	259,018,619	59,147,901	52,296	318,218,816	258,763,318	59,147,901	52,172	317,963,391
Financial Liabilities								
Derivative financial liabilities	-	1,501,262	-	1,501,262	-	1,501,262	-	1,501,262
Total financial liabilities at fair value	-	1,501,262	-	1,501,262	-	1,501,262	-	1,501,262

The following table sets out the fair values of financial assets and liabilities not measured at fair value and 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, 2021	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Financial Assets										
Financial assets at amortised cost - Loans and advances to other customers	-	-	932,588,979	932,588,979	971,894,929	-	-	919,033,714	919,033,714	957,384,317
Financial assets at amortised cost - Debt and other financial instruments	319,137,843	13,696,170	-	332,834,013	375,044,696	305,521,694	13,696,170	-	319,217,864	361,301,611
Total financial assets not at fair value	319,137,843	13,696,170	932,588,979	1,265,422,992	1,346,939,625	305,521,694	13,696,170	919,033,714	1,238,251,578	1,318,685,928
Financial Liabilities										
Financial liabilities at amortised cost - due to depositors	-	-	1,348,170,089	1,348,170,089	1,405,045,018	-	-	1,323,390,109	1,323,390,109	1,378,167,491
Subordinated liabilities	-	-	36,018,485	36,018,485	34,704,218	-	-	36,018,485	36,018,485	34,704,218
Total financial liabilities not at fair value	-	-	1,384,188,574	1,384,188,574	1,439,749,236	-	-	1,359,408,594	1,359,408,594	1,412,871,709
	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, 2020	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Financial Assets										
Financial assets at amortised cost - Loans and advances to other customers	-	-	913,411,806	913,411,806	909,829,172	-	-	900,428,087	900,428,087	896,845,453
Financial assets at amortised cost - Debt and other financial instruments	258,101,089	10,530,450	-	268,631,539	302,059,529	248,769,126	10,530,450	-	259,299,576	292,727,566
Total financial assets not at fair value	258,101,089	10,530,450	913,411,806	1,182,043,345	1,211,888,701	248,769,126	10,530,450	900,428,087	1,159,727,663	1,189,573,019
Financial Liabilities										
Financial liabilities at amortised cost - due to depositors	-	-	1,290,852,077	1,290,852,077	1,286,616,399	-	-	1,270,201,596	1,270,201,596	1,265,965,918
Subordinated liabilities	-	-	39,803,997	39,803,997	38,247,138	-	-	39,803,997	39,803,997	38,247,138
Total financial liabilities not at fair value	-	-	1,330,656,074	1,330,656,074	1,324,863,537	-	-	1,310,005,593	1,310,005,593	1,304,213,056

Assets and Liabilities for which fair value approximates carrying value

For below listed financial assets and liabilities 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 assets at amortised cost - Loans and advances to banks

Financial Liabilities

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

	Bank		Group	
	As at 30.06.2021	As at 31.12.2020	As at 30.06.2021	As at 31.12.2020
Regulatory Capital - Rs. '000				
Common Equity Tier I	144,410,815	134,689,259	149,478,613	139,730,831
Tier I Capital	144,410,815	134,689,259	149,478,613	139,730,831
Total Capital	180,318,622	171,396,829	185,386,420	176,611,211
Regulatory Capital Ratios (%)				
Common Equity Tier I Capital Ratio (Minimum Requirement - 7.500%)	13.519	13.217	13.595	13.356
Tier I Capital Ratio (Minimum Requirement - 9.000%)	13.519	13.217	13.595	13.356
Total Capital Ratio (Minimum Requirement - 13.000%)	16.880	16.819	16.861	16.882
Leverage Ratio (%) (Minimum Requirement - 3%)	5.83	5.74	5.95	5.88
Regulatory Liquidity				
Statutory Liquid Assets - Rs. '000				
Domestic Banking Unit	624,016,312	560,796,115		
Off-Shore Banking Unit	27,796,046	26,358,959		
Statutory Liquid Assets Ratio (%) (Minimum Requirement 20%)				
Domestic Banking Unit	47.38	44.99		
Off-Shore Banking Unit	34.27	32.70		
Total Stock of High Quality Liquid Assets - Rs. '000	457,966,236	362,921,544		
Liquidity Coverage Ratio (%) (Minimum Requirement - 90%)				
Liquidity Coverage Ratio (%) - Rupee	605.90	599.38		
Liquidity Coverage Ratio (%) - All Currency	355.11	422.86		
Net Stable Funding Ratio (%) (Minimum Requirement - 90%)	163.89	157.49		
Asset Quality (Quality of Loan Portfolio)				
Gross Non-Performing Advances Ratio (%) (Net of Interest in Suspense)	4.97	5.11		
Net Non-Performing Advances Ratio (%) (Net of Interest in Suspense and Provisions)	1.97	2.18		
Profitability				
Interest Margin (%)	3.36	3.17		
Return on Assets (before tax) (%)	1.71	1.51		
Return on Equity (%)	15.16	11.28		
Debt Security Related Ratios				
Debt Equity Ratio (%)	29.78	35.51		
Interest Cover (Times)	15.60	10.37		

OPERATING SEGMENTS - GROUP													17	
For the six months ended June 30,	Personal Banking		Corporate Banking		International Operations		Dealing/Treasury		NBFI, Real Estate & Services		Unallocated/Eliminations		Total/Consolidated	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	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	15,111,577	12,074,883	3,629,033	3,883,699	3,477,855	3,152,610	6,488,643	754,794	385,216	252,671	2,065,708	2,648,103	31,158,032	22,766,760
Foreign exchange profit	107,810	74,353	10,743	14,250	598,423	692,220	2,556,343	3,938,497	-	-	2,765,524	963,338	6,038,843	5,682,658
Net fees and commission income	2,997,470	2,158,296	1,613,800	993,614	770,632	624,678	10,662	(89)	136,677	116,725	183,006	194,475	5,712,247	4,087,699
Other income	198,459	67,532	158,275	(39,698)	137,389	50,632	2,754,006	2,758,490	459,160	315,577	(272,075)	(252,568)	3,435,214	2,899,965
Total Operating income	18,415,316	14,375,064	5,411,851	4,851,865	4,984,299	4,520,140	11,809,654	7,451,692	981,053	684,973	4,742,163	3,553,348	46,344,336	35,437,082
Credit loss expenses	(7,853,960)	(6,531,452)	(3,217,544)	(1,865,136)	(182,530)	(95,489)	(2,141,108)	(647,045)	(259,293)	(121,699)	(6)	(3)	(13,654,441)	(9,260,824)
Net Operating income	10,561,356	7,843,612	2,194,307	2,986,729	4,801,769	4,424,651	9,668,546	6,804,647	721,760	563,274	4,742,157	3,553,345	32,689,895	26,176,258
Segment result	2,166,705	289,639	1,182,153	2,073,269	2,963,425	2,617,528	8,110,436	5,732,323	202,069	207,773	1,128,455	196,767	15,753,243	11,117,299
Profit from operations													15,753,243	11,117,299
Share of profit/(loss) of associate, net of tax													413	(737)
Income tax expense													(3,400,119)	(3,668,985)
Non Controlling Interest													(96,255)	(73,816)
Net profit for the period, attributable to Equity holders of the Bank													12,257,282	7,373,761
As at June 30,	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	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	564,635,713	516,618,129	384,764,126	353,760,530	242,006,943	181,730,634	762,815,516	525,495,810	12,960,414	10,489,097	(32,521,770)	(21,492,370)	1,934,660,942	1,566,601,830
Investment in associates	-	-	-	-	-	-	-	-	-	-	63,749	53,190	63,749	53,190
Total assets	564,635,713	516,618,129	384,764,126	353,760,530	242,006,943	181,730,634	762,815,516	525,495,810	12,960,414	10,489,097	(32,458,021)	(21,439,180)	1,934,724,691	1,566,655,020
Segment liabilities	1,088,648,224	813,653,060	257,630,720	216,784,361	202,641,339	147,814,376	206,526,961	133,329,156	7,404,657	6,398,602	1,943,277	104,139,696	1,764,795,178	1,422,119,251
Total liabilities	1,088,648,224	813,653,060	257,630,720	216,784,361	202,641,339	147,814,376	206,526,961	133,329,156	7,404,657	6,398,602	1,943,277	104,139,696	1,764,795,178	1,422,119,251
For the six months ended June 30,													2021	2020
													Rs.'000	Rs.'000
Information on cash flows														
Cash flows from operating activities													34,360,730	4,238,381
Cash flows from investing activities													(4,828,509)	834,790
Cash flows from financing activities													(12,114,001)	(5,587,203)
Capital expenditure -														
Property, Plant & Equipment													(532,659)	(527,168)
Intangible assets													(242,718)	(215,356)
Net cash flow generated during the period													16,642,843	(1,256,556)

Twenty largest ordinary voting shareholders as at June 30, 2021

Name of the Shareholder	No. of Shares	%
01. DFCC Bank PLC A/C 1	135,132,609	12.02
02. Mr.Y. S. H. I. Silva	111,100,779	9.88
03. Employees' Provident Fund	96,883,940	8.62
04. CB NY S/A International Finance Corporation	79,992,025	7.11
05. Sri Lanka Insurance Corporation Ltd - Life Fund	62,446,021	5.55
06. Melstacorp PLC	46,521,219	4.14
07. CB NY S/A IFC Financial Institutions Growth Fund LP	41,238,490	3.67
08. CB NY S/A IFC Emerging Asia Fund. LP	41,238,490	3.67
09. Citibank New York S/A Norges Bank Account 2	40,824,369	3.63
10. Sri Lanka Insurance Corporation Ltd - General Fund	39,793,725	3.54
11. Mr. D. P. Pieris	26,696,174	2.37
12. Employees' Trust Fund Board	19,586,019	1.74
13. Mrs. L. E. M. Yaseen	17,467,243	1.55
14. Mr. K. D. D. Perera	16,293,896	1.45
15. Renuka Hotels PLC	11,118,680	0.99
16. Mr. M. J. Fernando	10,108,137	0.90
17. Renuka Consultants & Services Limited	8,853,421	0.79
18. Hallsville Trading Group INC.	7,737,219	0.69
19. SSBT - Al Mehwar Commercial Investments L.L.C.	5,757,138	0.51
20. Seylan Bank PLC/Andaradeniya Estate (PVT) Ltd	5,352,037	0.48
Sub total	824,141,631	73.29
Other Shareholders	300,321,690	26.71
Total	1,124,463,321	100.00

Percentage of public holding as at June 30, 2021 - 99.80% (99.73% as at June 30, 2020)

Number of shareholders representing public holding as at June 30, 2021 - 16,571 (15,668 as at June 30, 2020)

Twenty largest ordinary non-voting shareholders as at June 30, 2021

Name of the Shareholder	No. of Shares	%
01. Employees' Trust Fund Board	5,425,375	7.78
02. Akbar Brothers (Pvt) Ltd. A/C No 1	3,340,196	4.79
03. Deutsche Bank AG as Trustee to Assetline Income Plus Growth Fund	1,949,842	2.80
04. GF Capital Global Limited	1,803,067	2.59
05. Mr. A. H. Munasinghe	1,694,141	2.43
06. Mr. M. F. Hashim	1,330,810	1.91
07. M. J. F. Exports (Pvt) Ltd	1,193,037	1.71
08. Mrs. L. V. C. Samarasingha	1,052,622	1.51
09. Saboor Chatoor (Pvt) Ltd	972,277	1.39
10. Mr. T. W. A. Wickramasinghe	842,578	1.21
11. Mr. E. Chatoor	825,963	1.18
12. Mr. J. D. Bandaranayake , Ms. N. Bandaranayake & Dr. V. Bandaranayake (Joint)	742,382	1.06
13. Mr. R. Gautam	740,797	1.06
14. Mr. J. D. Bandaranayake , Dr. V. Bandaranayake & Ms. I. Bandaranayake (Joint)	720,767	1.03
15. Mr. A. L. Gooneratne	718,873	1.03
16. Mr. J. G. De Mel	700,000	1.00
17. Mr. M. J. Fernando	685,247	0.98
18. Mr. K. S. M. De Silva	680,842	0.98
19. Serendip Investments Limited	656,192	0.94
20. Mr. G. R. Mallawaarachy & Mrs. B. G. P. Mallawaarachy (Joint)	584,818	0.84
Sub total	26,659,826	38.23
Other Shareholders	43,080,945	61.77
Total	69,740,771	100.00

Percentage of public holding as at June 30, 2021 - 99.86% (99.79% as at June 30, 2020)

Number of shareholders representing public holding as at June 30, 2021 - 6,001 (5,418 as at June 30, 2020)

Directors' holding in shares as at June 30, 2021

Name of Director	No. of Shares	
	Voting	Non-voting
Justice K. Sripavan - Chairman	14,319	-
Prof. A. K. W. Jayawardane - Deputy Chairman	13,083	-
Mr. S. Renganathan - Managing Director/Chief Executive Officer	432,336	12,781
Mr. S. C. U. Manatunge - Chief Operating Officer	73,038	-
Mr. K. Dharmasiri	-	-
Mr. L. D. Niyangoda	-	-
Ms. N. T. M. S. Cooray	350,274	54,251
Mr. T. L. B. Hurulle	-	-
Ms. Judy Lee	-	-
Mr. Raja Senanayake	-	-
Mr. Sharhan Muhseen	2,503	-
Mrs. D. L. T. S. Wijewardena	-	-

	2021 Rs.	2020 Rs.
Market price of an ordinary share as at June 30,		
Voting	88.00	78.80
Non-Voting	78.00	67.60
Highest price during the quarter ended June 30,		
Voting	92.30	79.90
Non-Voting	80.00	70.00
Lowest price during the quarter ended June 30,		
Voting	79.00	50.00
Non-Voting	71.10	48.00
As at June 30,	2021	2020
	Rs.000	Rs.000
Float adjusted market capitalization - Compliant under Option 1	104,187,031	80,011,550
Number of ordinary shares as at June 30,	2021	2020
Voting	1,124,463,321	961,252,317
Non-Voting	69,740,771	66,254,269

- 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. 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, 2020, other than those disclosed under item 4.
- 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 **Impact due to the COVID-19**
The outbreak of COVID-19 has caused disruption to business and economic activities, and uncertainty in the global and local economy. Subsequent to the outbreak of COVID-19 in Sri Lanka, the Bank has strictly adhered to the guidelines and directions issued by both the government and the Central Bank of Sri Lanka (CBSL) when conducting its business operations. Further, the Bank has provided relief for the affected businesses and individuals in line with the directions issued by the CBSL in addition to its own relief schemes. These relief measures include deferment of repayment terms of credit facilities, offering concessionary rates of interest on eligible loan products (debt moratorium) and waiving off certain fees and charges. The Bank continuously monitors the impact of the pandemic and takes necessary action to manage its impact on the operations and performance of the Bank.
- 4 **Expected Credit Loss Computation**
The Group's estimated Expected Credit Loss (ECL) was based on the Probability of Default (PD), Loss Given Default (LGD) and Economic Factor Adjustment (EFA) applying the forecasts and projections published by the Central Bank of Sri Lanka.

Given the high degree of uncertainty and unprecedented circumstances in the short-term economic outlook mainly due to the continuous disruptions to businesses, significant amount of additional ECL provision was made by using expert credit judgements (management overlays) along with the modelled ECL provisions to ensure that the overall ECL provisions are adequate to cover unseen risk factors in the uncertain and highly volatile environment.
- 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 **Debenture Issue**
The Board of Directors of the Bank has decided to issue 50,000,000 listed unsecured rated redeemable subordinated Basel III compliant debentures of Rs. 100/- each with a non-viability conversion feature amounting to Rs 5 Bn., with an option to issue up to a further 50,000,000 debentures amounting to Rs. 5 Bn. in the event of an oversubscription, with a minimum tenure of 5 years and a maximum tenure of 7 years. Approval of the shareholders for the debenture issue was obtained at the Extraordinary General Meeting held on August 9, 2021.
- 8 There were no material events that took place since June 30, 2021, that require disclosure in these Interim Financial Statements other than those disclosed above.

Auditors' Opinion on the Financial Statements of the Bank as at June 30, 2021 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, 2021 and for the six months period then ended.

INFORMATION ON DEBENTURES - BANK

21

Type of Issue	Public	Public	Public	Public	Public
Debenture Type	Type "B"	Type "A"	Type "B"	Type "A"	Type "B"
CSE Listing	Listed	Listed	Listed	Listed	Listed
Issue Date	March 9, 2016	Oct 28, 2016	Oct 28, 2016	Jul 23, 2018	Jul 23, 2018
Maturity Date	March 8, 2026	Oct 27, 2021	Oct 27, 2026	July 22, 2023	July 22, 2028
Interest Payable Frequency (Fixed Interest Rate)	Bi-Annually	Bi-Annually	Bi-Annually	Bi-Annually	Bi-Annually
Offered Interest Rate	11.25% p.a.	12.00% p.a.	12.25% p.a.	12.00% p.a.	12.50% p.a.
Amount (Rs.'000)	1,749,090	5,071,800	1,928,200	8,393,840	1,606,160

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
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Interest Rates

- Coupon Rate (%)	11.25	12.00	12.25	12.00	12.50
- Effective Annual Yield (%)	11.57	12.36	12.63	12.36	12.89
- Interest Rate of comparable Government Security (%)	7.35	5.10	7.40	6.05	7.90

Other Ratios as at date of last trade

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

ANALYSIS OF LOANS AND ADVANCES TO OTHER CUSTOMERS AND IMPAIRMENT

22

As at	Group		Bank	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Gross loans and advances to other customers	1,034,022,754	961,859,118	1,018,236,782	947,841,905
Less: Accumulated impairment under stage 1	11,858,328	6,567,755	11,768,444	6,470,880
: Accumulated impairment under stage 2	15,655,640	12,396,301	15,276,996	12,244,433
: Accumulated impairment under stage 3	34,613,857	33,065,890	33,807,025	32,281,139
Net value of loans and advances to other customers	971,894,929	909,829,172	957,384,317	896,845,453
Gross loans and advances to other customers				
By product - Domestic Currency				
Overdrafts	92,856,268	87,742,247	92,872,603	88,194,066
Trade finance	70,380,266	56,633,628	70,380,266	56,633,628
Lease rental receivable	35,168,781	36,186,104	33,811,691	34,764,689
Credit cards	14,779,673	14,846,642	14,779,673	14,846,642
Pawning	5,285,065	4,615,697	5,285,065	4,615,697
Staff loans	11,933,559	11,757,733	11,919,282	11,742,731
Housing loans	64,661,533	61,116,362	64,661,533	61,116,362
Personal loans	50,579,771	50,172,809	50,521,821	50,110,145
Term loans	429,532,872	390,822,253	421,536,926	384,560,560
Bills of Exchange	540,724	533,752	540,724	533,752
Sub total	775,718,512	714,427,227	766,309,584	707,118,272
By product - Foreign Currency				
Overdrafts	17,611,799	16,694,220	16,189,515	14,763,901
Trade finance	27,797,866	23,946,805	27,156,032	23,429,704
Lease rental receivable	1,341,913	1,050,947	1,341,913	1,050,947
Credit cards	172,581	148,219	168,704	148,219
Staff loans	239,433	183,312	234,456	176,994
Housing loans	5,743,892	6,031,465	5,743,892	6,031,465
Personal loans	949,857	972,613	540,228	522,233
Term loans	165,237,216	162,993,886	161,342,773	159,189,746
Bills of Exchange	39,209,685	35,410,424	39,209,685	35,410,424
Sub total	258,304,242	247,431,891	251,927,198	240,723,633
Gross loans and advances to other customers	1,034,022,754	961,859,118	1,018,236,782	947,841,905

	Group		Bank	
	2021	2020	2021	2020
	(Audited)		(Audited)	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Movement of impairment during the period				
Under Stage 1				
Balance as at January 1,	6,567,755	2,702,070	6,470,880	2,613,480
Charge/(write back) to the Income Statement	5,281,873	3,863,356	5,290,206	3,856,007
Net write-off during the period	(40)	(166)	(40)	(166)
Exchange rate variance on foreign currency provisions	8,740	2,495	7,398	1,559
Balance as at June 30/December 31,	11,858,328	6,567,755	11,768,444	6,470,880
Under Stage 2				
Balance as at January 1,	12,396,301	8,494,001	12,244,433	8,318,831
Charge/(write back) to the Income Statement	3,254,998	3,901,554	3,031,216	3,925,463
Net write-off during the period	(43)	(982)	(43)	(906)
Exchange rate variance on foreign currency provisions	4,384	1,728	1,390	1,045
Balance as at June 30/December 31,	15,655,640	12,396,301	15,276,996	12,244,433
Under Stage 3				
Balance as at January 1,	33,065,890	25,622,009	32,281,139	24,879,180
Charge/(write back) to the Income Statement	2,214,535	10,359,763	2,139,730	10,083,744
Net write-off during the period	(133,953)	(365,444)	(68,643)	(110,886)
Exchange rate variance on foreign currency provisions	113,431	39,600	110,894	39,274
Interest accrued / (reversals) on impaired loans and advances	(1,123,049)	(2,895,955)	(1,132,768)	(2,850,806)
Other movements	477,003	305,917	476,673	240,633
Balance as at June 30/December 31,	34,613,857	33,065,890	33,807,025	32,281,139
Total Impairment				
Balance as at January 1,	52,029,946	36,818,080	50,996,452	35,811,491
Charge/(write back) to the Income Statement	10,751,406	18,124,673	10,461,152	17,865,214
Net write-off during the period	(134,036)	(366,592)	(68,726)	(111,958)
Exchange rate variance on foreign currency provisions	126,555	43,823	119,682	41,878
Interest accrued / (reversals) on impaired loans and advances	(1,123,049)	(2,895,955)	(1,132,768)	(2,850,806)
Other movements	477,003	305,917	476,673	240,633
Balance as at June 30/December 31,	62,127,825	52,029,946	60,852,465	50,996,452

ANALYSIS OF COMMITMENTS AND CONTINGENCIES AND IMPAIRMENT

24

As at	Group		Bank	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Gross commitments and contingencies	744,326,170	730,561,685	740,650,015	728,711,698
Impairment on commitments and contingencies				
Accumulated impairment under stage 1	1,905,853	1,536,100	1,900,945	1,532,691
Accumulated impairment under stage 2	463,603	244,482	463,603	244,482
Accumulated impairment under stage 3	288,192	339,676	288,192	339,676
Total Impairment	2,657,648	2,120,258	2,652,740	2,116,849
Gross commitments and contingencies				
By product - Domestic currency				
Contingencies	79,164,705	62,196,672	79,164,705	62,196,672
Guarantees	60,475,105	43,136,686	60,475,105	43,136,686
Bonds	15,968,623	15,928,299	15,968,623	15,928,299
Documentary Credits	1,374,385	1,735,026	1,374,385	1,735,026
Acceptances	466,022	461,784	466,022	461,784
Bills for collection	880,570	934,877	880,570	934,877
Commitments	112,562,199	107,301,147	112,562,199	107,301,147
Undrawn commitments	111,543,412	106,282,360	111,543,412	106,282,360
Capital commitments	1,018,787	1,018,787	1,018,787	1,018,787
Sub Total	191,726,904	169,497,819	191,726,904	169,497,819
By product - Foreign Currency				
Contingencies	521,932,091	536,913,400	520,783,382	535,924,812
Guarantees	21,262,465	22,660,078	21,035,251	22,445,085
Bonds	21,036,371	22,119,480	20,988,477	22,028,860
Documentary Credits	84,961,894	73,763,620	84,292,935	73,140,481
Forward exchange and Currency Swaps	262,824,324	307,412,792	262,824,324	307,412,792
Acceptances	69,370,841	63,909,527	69,166,614	63,907,728
Bills for collection	60,766,785	45,454,558	60,766,370	45,396,521
Bullion on consignment	14,521	14,545	14,521	14,545
Other Contingencies	1,694,890	1,578,800	1,694,890	1,578,800
Commitments	30,667,175	24,150,466	28,139,729	23,289,067
Undrawn commitments	30,651,460	24,135,827	28,139,729	23,289,067
Capital commitments	15,715	14,639	-	-
Sub Total	552,599,266	561,063,866	548,923,111	559,213,879
Total	744,326,170	730,561,685	740,650,015	728,711,698

ANALYSIS OF COMMITMENTS AND CONTINGENCIES AND IMPAIRMENT

25

	Group		Bank	
	2021	2020	2021	2020
	(Audited)	(Audited)	(Audited)	(Audited)
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Movement of impairment during the period				
Under Stage 1				
Balance as at January 1,	1,536,100	768,100	1,532,691	764,857
Charge/(write back) to the Income Statement	366,030	767,211	364,805	767,138
Exchange rate variance on foreign currency provisions	3,723	789	3,449	696
Balance as at June 30/December 31,	1,905,853	1,536,100	1,900,945	1,532,691
Under Stage 2				
Balance as at January 1,	244,482	187,237	244,482	187,237
Charge/(write back) to the Income Statement	219,121	57,245	219,121	57,245
Balance as at June 30/December 31,	463,603	244,482	463,603	244,482
Under Stage 3				
Balance as at January 1,	339,676	364,743	339,676	364,743
Charge/(write back) to the Income Statement	(51,484)	(25,067)	(51,484)	(25,067)
Balance as at June 30/December 31,	288,192	339,676	288,192	339,676
Total Impairment				
Balance as at January 1,	2,120,258	1,320,080	2,116,849	1,316,837
Charge/(write back) to the Income Statement	533,667	799,389	532,442	799,316
Exchange rate variance on foreign currency provisions	3,723	789	3,449	696
Balance as at June 30/December 31,	2,657,648	2,120,258	2,652,740	2,116,849

ANALYSIS OF DEPOSITS

As at	Group		Bank	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
	(Audited)	(Audited)	(Audited)	(Audited)
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
By product - Domestic Currency				
Current account deposits	70,946,285	61,440,763	70,946,660	61,257,980
Savings deposits	399,545,043	345,520,769	400,122,711	345,972,947
Time deposits	566,650,499	560,306,283	561,659,444	557,499,145
Certificates of deposit	25,902	29,289	25,902	29,288
Sub Total	1,037,167,729	967,297,104	1,032,754,717	964,759,360
By product - Foreign Currency				
Current account deposits	61,910,898	47,108,754	52,620,374	39,808,968
Savings deposits	106,688,248	97,540,150	101,578,155	93,773,096
Time deposits	199,278,143	174,670,391	191,214,245	167,624,494
Sub Total	367,877,289	319,319,295	345,412,774	301,206,558
Total	1,405,045,018	1,286,616,399	1,378,167,491	1,265,965,918

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 : 2430420, 2336700
2445010-15 ,2486000, 4792000
Telex :21520 COMEX CE
Facsimile : 2449889
SWIFT Code-Sri Lanka : CCEYLKLX
SWIFT Code-Bangladesh : CCEYBDDH
E-mail : email@combank.net
Website : www.combank.net

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**

AA+(lka) was revised downward to AA-(lka) by Fitch Ratings Lanka Ltd., in January 2021, whilst revising the outlook from negative to stable.

Bangladesh Operation

AAA was re-affirmed by Credit Rating Information & Services Limited in June 2021.

PROFESSIONAL EXPERTISE**LAWYERS**

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

AUDITORS

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

REGISTRARS

S S P Corporate Services (Private) Limited,
No. 101, Inner Flower Road,
Colombo 3, Sri Lanka.
Telephone: 2573894, 2576871
Facsimile: 2573609
E-mail: sspsec@sltnet.lk

SUBSIDIARIES AND ASSOCIATES**LOCAL SUBSIDIARIES**

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

FOREIGN SUBSIDIARIES

Commex Sri Lanka S.R.L - Italy
Commercial Bank of Maldives Private Limited
CBC Myanmar Microfinance Company Limited

ASSOCIATES

Equity Investments Lanka Ltd.

BOARD OF DIRECTORS

Justice K. Sripavan - Chairman
Prof. A. K. W. Jayawardane - Deputy Chairman
Mr. S. Renganathan - Managing Director/Chief Executive Officer
Mr. S. C. U. Manatunge - Chief Operating Officer
Mr. K. Dharmasiri
Mr. L. D. Niyangoda
Ms. N. T. M. S. Cooray
Mr. T. L. B. Hurulle
Ms. Judy Lee
Mr. Raja Senanayake
Mr. Sharhan Muhseen
Mrs. D. L. T. S. Wijewardena

COMPANY SECRETARY

Mr. R. A. P. Rajapaksha