



**Sampath Bank**

WE PRESENT YOUR FUTURE

# **SAMPATH BANK PLC**

**Interim Financial Statements  
for the period ended 30th June 2023  
(In terms of Rule 7.4 of the Colombo Stock Exchange)**

## **Sampath Bank stands committed to reinvigorate the Sri Lankan economy.**

As a responsible corporate citizen and a premier private sector bank in Sri Lanka, Sampath Bank has continued to play a pivotal role in supporting the Sri Lankan economy through the challenges encountered over the last 4 to 5 years. Amidst the difficulties triggered by events such as the Easter attack, the COVID-19 pandemic, the foreign currency crisis and widespread social unrest, the Bank has remained unequivocally committed to supporting its customers and the wider community while safeguarding deposit holder interest. In a bid to alleviate economic pressure on customers by providing much needed relief during tough times, the Bank has continued to offer various forms of moratoria and other concessionary repayment plans.

Notwithstanding these challenges, Sampath Bank has contributed to public financing by way of an array of taxes including Income Tax, VAT on Financial Services, Social Security Contribution Levy, Crop Insurance Levy, and other indirect taxes. The total effective tax rate of the Bank exceeded 56% for the period ending June 2023.

Even amidst multiple challenges, the Bank has remained unwavering in its commitment to sustainability and continued to enhance the livelihoods of people and preserving the environment through its Corporate Social Responsibility (CSR) projects. This persistent focus on CSR, includes the Bank's flagship project "Weweta Jeewayak" tank restoration initiative as well as the Oceanic Ecosystem Restoration initiative titled "A Breath to the Ocean" encompassing coral restoration, mangrove planting, and turtle conservation programmes.

### **Financial Performance**

During 1H 2023, Sampath Bank registered a profit before tax (PBT) of Rs 13.2 Bn and a profit after tax (PAT) of Rs 7.7 Bn, indicating growth of 46.6% and 8.1% respectively against the subdued financial figures reported in 1H 2022.

### **Key highlights of financial results declared by Sampath Bank and the Group for 1H 2023 compared to 1H 2022:**

- Growth in NII supported by the higher AWPLR.
- 13.6% increase in net fee and commission income driven by trade-related operations
- Decline of exchange income by Rs 17 Bn as a consequence of the appreciation of LKR against USD by Rs 57.75.
- 74.4% decline in impairment provision on loans and investments.
- 19.1% increase in operating expenses.
- The upward revision in income tax rate and the introduction of SSCL resulting in 104% increase in total tax expenses.
- Group's PBT and PAT for 1H 2023 was Rs 13.4 Bn and Rs 7.6 Bn respectively, reflecting a growth of 39.3% and 3.6% respectively.

### **Fund based income**

Sampath Bank reported a total interest income of Rs 101 Bn in 1H 2023, up by 70.1% from the Rs 59.2 Bn recorded in the corresponding period of the previous year. As at 30<sup>th</sup> June 2023, the Average Weighted Prime Lending Rate (AWPLR) was 315 bps lower compared to the AWPLR reported as at 30<sup>th</sup> June 2022. However, it is noteworthy to mention that the AWPLR remained considerably higher throughout the current reporting period compared to the corresponding period as the rise of the AWPLR commenced in 2Q 2022.

Interest expenses too grew in line with the previously mentioned interest rate hikes resulting in the Bank recording a total interest expense of Rs 67 Bn in the 1H 2023, denoting an increase of 139% over the figure reported in the 1H 2022.

During the reporting period, the interest expense grew at a faster rate than interest income resulting in only a marginal growth of Net Interest Income.

In contrast, the Net Interest Margin (NIM) of 5.19% reported at the end of the period under review showed a decline of 51 basis points from the figure reported at the end of 2022. The downward trend in AWPLR reported since the 1Q 2023 was the primary cause of the decline in NIM.

### **Non-Fund based income**

The Bank's Net fee and commission income (NFCI) increased by 13.6% in the first half of 2023 compared to the corresponding period in the previous year. NFCI includes income from a variety of sources, including loans and advances, credit cards, trade, electronic channels etc. Growth experienced in first half was mainly attributable to the increase in fee and commission income derived from trade, electronic channels and remittance related activities.

Sampath Bank posted a Net Other Operating Loss of Rs 5.1 Bn in the first six months of 2023, compared to a gain of Rs 16 Bn reported in corresponding period of 2022, denoting a decline of 132%. This was due to Rs 5.5 Bn exchange loss caused by the 15.8% appreciation of the LKR against the USD. However, the Bank recorded a net trading gain of Rs 1.7 Bn for the period under review, compared to a loss of Rs 2.5 Bn in the corresponding period of the previous year mainly due to forward exchange contract revaluation gains.

### **Impairment charge**

The Bank recorded a total impairment charge of Rs 7.2 Bn for the first half of 2023, 74.4% less than the charge for the corresponding period in the previous year. The impairment charge for the first half of 2023 consisted of Rs 8.7 Bn on account of loans and advances (1H 2022: Rs 19.3 Bn) and an impairment reversal of Rs 1.4 Bn on other financial instruments (1H 2022: a charge of Rs 7.8 Bn). In addition, an impairment reversal of Rs 66 Mn was recognised on commitments and contingencies (1H 2022: a charge of Rs 1.1 Bn).

**Impairment charge on loans and advances:** In the first half of 2023, the impairment charge for loans and advances decreased by 55% compared to the same period in the previous year. However, total provision cover of the Bank stood at 12.6% as at 30<sup>th</sup> June 2023 which is an increase of 456 bps compared to 8% at the end of 1H of 2022.

### **Impairment on Individually Significant Loan (ISL) Customers:**

Rs 7.4 Bn was charged as impairment provisions against ISL customers in the 1H 2023. In the first six months of 2023, the Bank evaluated a substantial portion of its loans and advances under the ISL category, taking into account both customers' financial resilience and external macroeconomic pressures. The Bank adopted a proactive approach and in advance identified customers with significant increased credit risk and was thereby able to make substantial provisions in the previous financial year. This building up of provision cover against many ISL impaired customers, resulted in a lower additional provision during the reporting period - the key reason for the drop in impairment charge reported above.

**Collective Impairment:** Impairment models used in 2022 were continued in 1H of 2023 to ensure adequate buffers were in place to absorb any potential credit risk that could arise in the future. The probability weightage applied to the worst-case economic scenario remained unchanged during the reporting period. Despite the positive movements in major macro-economic variables, the Bank did not consider positive

movements to the Economic Factor Adjustments. During the reporting period, the Bank also built an additional provision against newly identified customer segments with increased credit risk. In addition, it continued to maintain the allowance for overlay during the reporting period which it applied in 2022.

The collective impairment charge for the reporting period dropped by 88% as the buffers built up in the previous reporting period helped manage the risk elevated segments of the loan portfolio during the reporting period.

#### **Impairment charge on other financial instruments:**

Sampath Bank recorded an impairment provision reversal of Rs 1.4 Bn against other financial instruments during the reporting period. The Bank reviewed all three options provided in the recently announced Domestic Debt Optimization Program (DDO) and opted to exchange the holdings in SLDBs to local currency denominated treasury bonds. Due to this reason, Sampath Bank reversed the impairment provision already recognized against the SLDBs during the reporting period, while increasing the impairment provision against SLISBs on account of a possible haircut. The combined impact of the above resulted in a net reversal of impairment provision against the debt instruments.

#### **Operating Expenses.**

Operating expenses in 1H 2023 showed a 19.1% increase in comparison to 1H 2022. The 38% increase in other expenses is attributed to inflation induced price increases, the LKR depreciation compared to 1H 2022 and other factors such as increased taxes and import restrictions. Personnel costs grew only by 5.4% in 2023 resulting from the annual salary increase.

#### **Tax Expenses**

Total effective tax rate of the Bank increased to 56% in 1H 2023 from 40% reported in 1H 2022 owing to the combined effect of the increase in income tax rate and newly introduced Social Security Contribution Levy (SSCL).

#### **Key Ratios**

The Return on Average Shareholders' Equity (after tax) increased to 12.1% as at 30<sup>th</sup> June 2023 from 10.95% reported at the end of the year 2022. Return on Average Assets (before tax) stood at 1.99% as at 30<sup>th</sup> June 2023 as against 1.16% reported as at 31st December 2022.

#### **Capital Ratios**

Sampath's latest capital adequacy ratios improved further in 1H 2023 from the figures reported in the previous quarter in addition to being well above the regulatory minimum requirements. As at 30<sup>th</sup> June 2023, Sampath Bank's CET 1, Tier 1 and total capital ratios were at 13.89%, 13.89% and 17.36% compared to 11.92%, 11.92% and 14.27% respectively at the end of 2022. These increases are attributed to three main reasons - Rs 10 Bn worth of Tier 2 capital infusion in February 2023, profit generated in 2023 and decline in risk weighted assets resulting from the LKR appreciation.

#### **Assets and Liabilities**

Total assets of the Bank increased by Rs 97 Bn (an annualized growth of 14.6%) from Rs 1.3 Tn as at 31st December 2022 to Rs 1.4 Tn as at 30<sup>th</sup> June 2023. Additional investment made in treasury bills during the latter part of the reporting period resulted in asset growth mentioned. Consequently, investment under debt and other instruments and fair value through other comprehensive income increased significantly by 33% at the end of the reporting period.

Meanwhile, the total Loans declined by Rs 26 Bn in the first half of 2023 from Rs 920 Bn as at 31st December 2022 to Rs 894 Bn at the end of the reporting period predominantly due to the LKR appreciation against the USD. However, loans denominated in LKR increased marginally by Rs 4.4 Bn during the period.

Despite the LKR appreciation, Sampath Bank's total deposit book increased from Rs 1.1 Tn reported as at 31<sup>st</sup> December 2022 to Rs 1.14 Tn at the end of June 2023, an increase of Rs 41 Bn. LKR deposits increased to Rs 972 Bn by Rs 89 Bn during the period. The CASA ratio at the end of 1H 2023 was 31.3% compared to 32.7% reported at the end of 2022.

### **Awards**

The Bank was honored at the prestigious Euromoney Awards ceremony held in Hong Kong with the esteemed title of “Best Bank in Sri Lanka for 2023”. The Bank’s performance in navigating through exceedingly challenging conditions while consistently supporting those in need of funding has enabled it to secure this award. This is the fifth time Sampath Bank has received this coveted award, a testament to our enduring excellence and positive impact on society.

STATEMENT OF PROFIT OR LOSS												
	Bank						Group					
	For the six months ended 30th June			For the quarter ended 30th June			For the six months ended 30th June			For the quarter ended 30th June		
	2023	2022	Change	2023	2022	Change	2023	2022	Change	2023	2022	Change
	(Audited)	(Audited)										
	Rs 000	Rs 000	%	Rs 000	Rs 000	%	Rs 000	Rs 000	%	Rs 000	Rs 000	%
Gross income	109,211,604	82,748,501	32.0	55,312,437	44,411,578	24.5	113,874,087	86,686,760	31.4	57,544,607	46,227,893	24.5
Interest income	100,785,624	59,248,688	70.1	50,564,185	34,359,352	47.2	105,018,000	62,541,996	67.9	52,696,701	35,921,903	46.7
Less : Interest expense	66,587,590	27,849,050	139.1	34,508,954	16,500,189	109.1	69,591,092	29,529,220	135.7	36,064,502	17,498,972	106.1
Net interest income	34,198,034	31,399,638	8.9	16,055,231	17,859,163	(10.1)	35,426,908	33,012,776	7.3	16,632,199	18,422,931	(9.7)
Fee & commission income	11,515,234	9,814,131	17.3	5,212,815	4,680,798	11.4	11,826,722	10,238,846	15.5	5,360,754	4,801,793	11.6
Less: Fee & commission expense	1,752,410	1,221,421	43.5	848,967	624,728	35.9	1,752,641	1,222,486	43.4	849,089	625,337	35.8
Net fee & commission income	9,762,824	8,592,710	13.6	4,363,848	4,056,070	7.6	10,074,081	9,016,360	11.7	4,511,665	4,176,456	8.0
Net gain/(loss) from trading	1,704,409	(2,541,606)	167.1	11,599	(2,160,880)	100.5	1,669,820	(2,541,606)	165.7	(3,100)	(2,160,880)	99.9
Net gain on derecognition of financial assets												
- at fair value through profit or loss	231,394	221,189	4.6	138,020	208,008	(33.6)	234,678	221,189	6.1	138,020	208,008	(33.6)
- at fair value through other comprehensive income	71,249	(36,705)	294.1	56,331	(37,163)	251.6	71,249	(36,705)	294.1	56,331	(37,163)	251.6
Net other operating income	(5,096,306)	16,042,804	(131.8)	(670,513)	7,361,463	(109.1)	(4,946,382)	16,263,040	(130.4)	(704,099)	7,494,232	(109.4)
Total operating income	40,871,604	53,678,030	(23.9)	19,954,516	27,286,661	(26.9)	42,530,354	55,935,054	(24.0)	20,631,016	28,103,584	(26.6)
Less: Impairment charge	7,227,981	28,181,209	(74.4)	306,901	16,426,949	(98.1)	7,200,383	28,569,764	(74.8)	382,181	16,469,961	(97.7)
Net operating income	33,643,623	25,496,821	32.0	19,647,615	10,859,712	80.9	35,329,971	27,365,290	29.1	20,248,835	11,633,623	74.1
Less: Operating expenses												
Personnel expenses	6,985,206	6,626,634	5.4	3,650,166	3,522,809	3.6	7,730,912	7,344,103	5.3	4,037,017	3,886,452	3.9
Depreciation and amortisation expenses	1,237,251	1,200,532	3.1	521,543	566,568	(7.9)	1,251,723	1,168,291	7.1	628,817	552,774	13.8
Other expenses	8,052,228	5,835,804	38.0	4,208,785	3,104,597	35.6	8,585,888	6,154,762	39.5	4,540,248	3,196,681	42.0
Total operating expenses	16,274,685	13,662,970	19.1	8,380,494	7,193,974	16.5	17,568,523	14,667,156	19.8	9,206,082	7,635,907	20.6
Operating profit before taxes on financial services	17,368,938	11,833,851	46.8	11,267,121	3,665,738	207.4	17,761,448	12,698,134	39.9	11,042,753	3,997,716	176.2
Less: Taxes on financial services												
Value added tax	3,641,513	2,813,973	29.4	2,223,217	1,100,235	102.1	3,802,906	3,058,326	24.3	2,296,355	1,186,530	93.5
Social security contribution levy	505,766	-		308,780	-		528,182	-		318,118	-	
Total taxes on financial services	4,147,279	2,813,973	47.4	2,531,997	1,100,235	130.1	4,331,088	3,058,326	41.6	2,614,473	1,186,530	120.3
Profit before income tax	13,221,659	9,019,878	46.6	8,735,124	2,565,503	240.5	13,430,360	9,639,808	39.3	8,428,280	2,811,186	199.8
Less: Income tax expense	5,559,108	1,934,441	187.4	3,698,275	190,783	1,838.5	5,792,409	2,270,589	155.1	3,800,560	295,419	1,186.5
Profit for the period	7,662,551	7,085,437	8.1	5,036,849	2,374,720	112.1	7,637,951	7,369,219	3.6	4,627,720	2,515,767	83.9
Attributable to:												
Equity holders of the Bank	7,662,551	7,085,437	8.1	5,036,849	2,374,720	112.1	7,637,951	7,369,219	3.6	4,627,720	2,515,767	83.9
Non-controlling interest							-	-	-	-	-	-
	7,662,551	7,085,437	8.1	5,036,849	2,374,720	112.1	7,637,951	7,369,219	3.6	4,627,720	2,515,767	83.9
Earnings per share - Basic/Diluted (Rs)	6.53	6.04	8.1	4.30	2.03	112.1	6.51	6.28	3.6	3.95	2.15	83.9

**STATEMENT OF COMPREHENSIVE INCOME**

	Bank						Group					
	For the six months ended 30th June			For the quarter ended 30th June			For the six months ended 30th June			For the quarter ended 30th June		
	2023	2022	Change	2023	2022	Change	2023	2022	Change	2023	2022	Change
	(Audited) Rs 000	(Audited) Rs 000	%	(Audited) Rs 000	(Audited) Rs 000	%	(Audited) Rs 000	(Audited) Rs 000	%	(Audited) Rs 000	(Audited) Rs 000	%
<b>Profit for the period</b>	<b>7,662,551</b>	<b>7,085,437</b>	<b>8.1</b>	<b>5,036,849</b>	<b>2,374,720</b>	<b>112.1</b>	<b>7,637,951</b>	<b>7,369,219</b>	<b>3.6</b>	<b>4,627,720</b>	<b>2,515,767</b>	<b>83.9</b>
<b>Other comprehensive income</b>												
Items that will be reclassified to profit or loss:												
Debt instruments at fair value through other comprehensive income:												
Gain/(loss) arising on re-measurement	3,654,268	(4,169,574)	187.6	2,791,188	(2,510,603)	211.2	3,654,268	(4,169,574)	187.6	2,791,188	(2,510,603)	211.2
Reclassification to profit or loss due to derecognition	(71,249)	36,705	(294.1)	(56,331)	37,163	(251.6)	(71,249)	36,705	(294.1)	(56,331)	37,163	(251.6)
Changes in impairment for expected credit losses	162,680	253,603	(35.9)	146,297	83,740	74.7	162,680	253,603	(35.9)	146,297	83,740	74.7
Reclassification of treasury bonds at FVOCI to amortised cost	-	4,787,611	(100.0)	-	4,787,611	(100.0)	-	4,787,611	(100.0)	-	4,787,611	(100.0)
Deferred tax effect on the above	(1,123,709)	(218,003)	(415.5)	(864,345)	(575,499)	(50.2)	(1,123,709)	(218,003)	(415.5)	(864,345)	(575,499)	(50.2)
<b>Net other comprehensive income to be reclassified to profit or loss</b>	<b>2,621,990</b>	<b>690,342</b>	<b>279.8</b>	<b>2,016,809</b>	<b>1,822,412</b>	<b>10.7</b>	<b>2,621,990</b>	<b>690,342</b>	<b>279.8</b>	<b>2,016,809</b>	<b>1,822,412</b>	<b>10.7</b>
Items that will not be reclassified to profit or loss:												
Equity instruments at fair value through other comprehensive income:												
Loss arising on re-measurement	(163,604)	(2,204,456)	92.6	(28,339)	(1,391,065)	98.0	(163,604)	(2,204,456)	92.6	(28,339)	(1,391,065)	98.0
Exchange difference in translation	(719,360)	3,354,753	(121.4)	(232,805)	1,276,071	(118.2)	(719,360)	3,354,753	(121.4)	(232,805)	1,276,071	(118.2)
Deferred tax effect on the above	264,889	(276,071)	195.9	78,343	27,599	183.9	264,889	(276,071)	195.9	78,343	27,599	183.9
	(618,075)	874,226	(170.7)	(182,801)	(87,395)	(109.2)	(618,075)	874,226	(170.7)	(182,801)	(87,395)	(109.2)
<b>Net other comprehensive income not to be reclassified to profit or loss</b>	<b>(618,075)</b>	<b>874,226</b>	<b>(170.7)</b>	<b>(182,801)</b>	<b>(87,395)</b>	<b>(109.2)</b>	<b>(618,075)</b>	<b>874,226</b>	<b>(170.7)</b>	<b>(182,801)</b>	<b>(87,395)</b>	<b>(109.2)</b>
<b>Other comprehensive income net of tax</b>	<b>2,003,915</b>	<b>1,564,568</b>	<b>28.1</b>	<b>1,834,008</b>	<b>1,735,017</b>	<b>5.7</b>	<b>2,003,915</b>	<b>1,564,568</b>	<b>28.1</b>	<b>1,834,008</b>	<b>1,735,017</b>	<b>5.7</b>
<b>Total comprehensive income for the period net of tax</b>	<b>9,666,466</b>	<b>8,650,005</b>	<b>11.8</b>	<b>6,870,857</b>	<b>4,109,737</b>	<b>67.2</b>	<b>9,641,866</b>	<b>8,933,787</b>	<b>7.9</b>	<b>6,461,728</b>	<b>4,250,784</b>	<b>52.0</b>
<b>Attributable to:</b>												
Equity holders of the Bank	9,666,466	8,650,005	11.8	6,870,857	4,109,737	67.2	9,641,866	8,933,787	7.9	6,461,728	4,250,784	52.0
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-
	<b>9,666,466</b>	<b>8,650,005</b>	<b>11.8</b>	<b>6,870,857</b>	<b>4,109,737</b>	<b>67.2</b>	<b>9,641,866</b>	<b>8,933,787</b>	<b>7.9</b>	<b>6,461,728</b>	<b>4,250,784</b>	<b>52.0</b>

# STATEMENT OF FINANCIAL POSITION

As at	30th June 2023 (Audited) Rs 000	Bank 31st December 2022 (Audited) Rs 000	Change %	30th June 2023 Rs 000	Group 31st December 2022 (Audited) Rs 000	Change %
<b>ASSETS</b>						
Cash & cash equivalents	80,316,463	79,162,545	1.5	80,638,408	79,344,587	1.6
Balances with Central Bank of Sri Lanka	33,872,475	31,579,185	7.3	33,872,475	31,579,185	7.3
Placements with banks	30,914,412	10,927,216	182.9	30,914,412	10,927,216	182.9
Reverse repurchase agreements	4,327,706	10,072,569	(57.0)	4,778,606	10,299,569	(53.6)
Derivative financial instruments	710,117	44,598	1,492.3	710,117	44,598	1,492.3
Financial assets recognised through profit or loss - measured at fair value	8,687,897	4,641,277	87.2	8,802,833	4,822,395	82.5
Financial assets at amortised cost						
- loans & advances	781,286,574	811,157,649	(3.7)	810,840,181	839,976,738	(3.5)
- debt & other instruments	308,490,283	278,775,796	10.7	315,952,116	284,237,662	11.2
Financial assets - fair value through other comprehensive income	105,989,033	32,772,930	223.4	105,989,089	32,772,986	223.4
Investment in subsidiaries	4,110,642	3,898,512	5.4	-	-	-
Property, plant & equipment	9,168,403	8,910,525	2.9	19,447,555	19,067,412	2.0
Intangible assets	654,556	578,031	13.2	680,445	600,341	13.3
Right-of-use assets	3,916,356	3,540,286	10.6	3,058,584	3,265,770	(6.3)
Deferred tax assets	17,323,434	21,734,244	(20.3)	17,675,627	21,992,147	(19.6)
Other assets	31,556,536	26,630,974	18.5	34,158,043	28,388,956	20.3
<b>Total Assets</b>	<b>1,421,324,887</b>	<b>1,324,426,337</b>	<b>7.3</b>	<b>1,467,518,491</b>	<b>1,367,319,562</b>	<b>7.3</b>
<b>LIABILITIES</b>						
Due to banks	7,349,910	11,297,181	(34.9)	11,823,806	15,255,184	(22.5)
Derivative financial instruments	565,616	1,449,393	(61.0)	565,616	1,449,393	(61.0)
Securities sold under repurchase agreements	49,743,919	2,283,291	2,078.6	49,743,919	2,283,291	2,078.6
Financial liabilities at amortised cost						
- due to depositors	1,138,916,702	1,096,099,874	3.9	1,160,706,548	1,115,155,879	4.1
- due to other borrowers	7,400,760	9,173,923	(19.3)	7,400,760	9,173,923	(19.3)
- due to debt securities holders	27,968,717	25,259,536	10.7	34,853,355	32,872,261	6.0
Retirement benefit obligation	2,254,859	1,845,228	22.2	2,416,916	1,998,238	21.0
Dividend payable	223,410	187,141	19.4	223,410	187,141	19.4
Current tax liabilities	16,144,373	18,754,155	(13.9)	16,530,786	19,186,239	(13.8)
Deferred tax liabilities	-	-	-	1,465,662	1,465,662	-
Other liabilities	38,841,983	31,696,670	22.5	40,726,553	32,741,284	24.4
<b>Total Liabilities</b>	<b>1,289,410,249</b>	<b>1,198,046,392</b>	<b>7.6</b>	<b>1,326,457,331</b>	<b>1,231,768,495</b>	<b>7.7</b>



**STATEMENT OF FINANCIAL POSITION**

As at	Bank			Group		
	30th June 2023 (Audited) Rs 000	31st December 2022 (Audited) Rs 000	Change %	30th June 2023 (Audited) Rs 000	31st December 2022 (Audited) Rs 000	Change %
<b>EQUITY</b>						
Stated capital	48,741,119	47,622,493	2.3	48,741,119	47,622,493	2.3
Reserves						
Statutory reserve fund	5,755,000	5,755,000	-	6,033,000	6,033,000	-
Other reserves	66,850,617	64,832,981	3.1	70,348,555	68,330,919	3.0
Retained earnings	10,567,902	8,169,471	29.4	15,938,486	13,564,655	17.5
Total equity attributable to equity holders of the Bank	131,914,638	126,379,945	4.4	141,061,160	135,551,067	4.1
Non-controlling interest	-	-	-	-	-	-
<b>Total Equity</b>	<b>131,914,638</b>	<b>126,379,945</b>	<b>4.4</b>	<b>141,061,160</b>	<b>135,551,067</b>	<b>4.1</b>
<b>Total Liabilities &amp; Equity</b>	<b>1,421,324,887</b>	<b>1,324,426,337</b>	<b>7.3</b>	<b>1,467,518,491</b>	<b>1,367,319,562</b>	<b>7.3</b>
<b>Commitments &amp; contingencies</b>	<b>346,669,814</b>	<b>315,363,167</b>	<b>9.9</b>	<b>344,819,414</b>	<b>314,491,810</b>	<b>9.6</b>
<b>Net asset value per share (Rs)</b>	<b>112.49</b>	<b>107.77</b>	<b>4.4</b>	<b>120.29</b>	<b>115.59</b>	<b>4.1</b>

**Memorandum information**

Number of employees	4,035	3,948
Number of branches	229	229

**CERTIFICATION:**

I certify that the above Financial Statements are in compliance with the requirements of the Companies Act No. 7 of 2007.

(Sgd)

**Ajantha de Vas Gunasekara**  
Executive Director/Chief Financial Officer

We, the undersigned, being the Chairman and the Managing Director of Sampath Bank PLC, certify jointly that:

(a) the above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka; and

(b) the information contained in these statements have been extracted from the unaudited Financial Statements of the Bank and its subsidiary companies unless indicated as audited.

(Sgd)

**Harsha Amarasekera**  
Chairman  
11th August 2023

(Sgd)

**Ayodhya Iddawela Perera**  
Managing Director

**STATEMENT OF CHANGES IN EQUITY**

**Bank**

For the six months ended 30th June 2022 (Audited)	Stated Capital  Rs 000	Statutory Reserve Fund  Rs 000	Other Reserves			Retained Earnings  Rs 000	Total Equity  Rs 000
			Revaluation Reserve Rs 000	FVOCI Reserve Rs 000	General Reserve Rs 000		
<b>Balance as at 1st January 2022</b>	47,622,493	5,075,000	3,159,910	1,618,637	52,468,905	8,806,714	118,751,659
Adjustment for Surcharge Tax levied under the Surcharge Tax Act No. 14 of 2022	-	-	-	-	-	(2,670,566)	(2,670,566)
<b>Adjusted balance as at 1st January 2022</b>	47,622,493	5,075,000	3,159,910	1,618,637	52,468,905	6,136,148	116,081,093
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	-	7,085,437	7,085,437
Other comprehensive income	-	-	-	1,564,568	-	-	1,564,568
<b>Total comprehensive income for the period</b>	-	-	-	1,564,568	-	7,085,437	8,650,005
<b>Transactions with equity holders, recognised directly in equity, contributions by and distributions to equity holders</b>							
Final dividend for 2021: cash	-	-	-	-	-	(4,863,589)	(4,863,589)
Unclaimed dividend adjustments	-	-	-	-	21,274	-	21,274
<b>Total contributions by and distributions to equity holders</b>	-	-	-	-	21,274	(4,863,589)	(4,842,315)
<b>Balance as at 30th June 2022</b>	47,622,493	5,075,000	3,159,910	3,183,205	52,490,179	8,357,996	119,888,783

For the six months ended 30th June 2023 (Audited)	Stated Capital  Rs 000	Statutory Reserve Fund  Rs 000	Other Reserves			Retained Earnings  Rs 000	Total Equity  Rs 000
			Revaluation Reserve Rs 000	FVOCI Reserve Rs 000	General Reserve Rs 000		
<b>Balance as at 1st January 2023</b>	47,622,493	5,755,000	3,594,984	2,248,650	58,989,347	8,169,471	126,379,945
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	-	7,662,551	7,662,551
Other comprehensive income	-	-	-	2,003,915	-	-	2,003,915
<b>Total comprehensive income for the period</b>	-	-	-	2,003,915	-	7,662,551	9,666,466
<b>Transactions with equity holders, recognised directly in equity, contributions by and distributions to equity holders</b>							
Final dividend for 2022: scrip	1,118,626	-	-	-	-	(1,316,031)	(197,405)
Final dividend for 2022: cash	-	-	-	-	-	(3,948,089)	(3,948,089)
Unclaimed dividend adjustments	-	-	-	-	13,721	-	13,721
<b>Total contributions by and distributions to equity holders</b>	1,118,626	-	-	-	13,721	(5,264,120)	(4,131,773)
<b>Balance as at 30th June 2023</b>	48,741,119	5,755,000	3,594,984	4,252,565	59,003,068	10,567,902	131,914,638

**STATEMENT OF CHANGES IN EQUITY**

Group

For the six months ended 30th June 2022	Stated Capital	Statutory Reserve Fund	Other Reserves			Retained Earnings	Total Equity Attributable to Equity Holders of the Bank	Non Controlling Interest	Total Equity
			Revaluation Reserve	FVOCI Reserve	General Reserve				
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Balance as at 1st January 2022	47,622,493	5,315,000	6,293,636	1,618,637	52,468,905	13,866,847	127,185,518	-	127,185,518
Adjustment for Surcharge Tax levied under the Surcharge Tax Act No. 14 of 2022	-	-	-	-	-	(3,232,508)	(3,232,508)	-	(3,232,508)
Adjusted balance as at 1st January 2022	47,622,493	5,315,000	6,293,636	1,618,637	52,468,905	10,634,339	123,953,010	-	123,953,010
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	7,369,219	7,369,219	-	7,369,219
Other comprehensive income	-	-	-	1,564,568	-	-	1,564,568	-	1,564,568
Total comprehensive income for the period	-	-	-	1,564,568	-	7,369,219	8,933,787	-	8,933,787
Transactions with equity holders, recognised directly in equity, contributions by and distributions to equity holders									
Final dividend for 2021: cash	-	-	-	-	-	(4,863,589)	(4,863,589)	-	(4,863,589)
Unclaimed dividend adjustments	-	-	-	-	21,274	-	21,274	-	21,274
Total contributions by and distributions to equity holders	-	-	-	-	21,274	(4,863,589)	(4,842,315)	-	(4,842,315)
Balance as at 30th June 2022	47,622,493	5,315,000	6,293,636	3,183,205	52,490,179	13,139,969	128,044,482	-	128,044,482

For the six months ended 30th June 2023	Stated Capital	Statutory Reserve Fund	Other Reserves			Retained Earnings	Total Equity Attributable to Equity Holders of the Bank	Non Controlling Interest	Total Equity
			Revaluation Reserve	FVOCI Reserve	General Reserve				
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Balance as at 1st January 2023	47,622,493	6,033,000	7,092,922	2,248,650	58,989,347	13,564,655	135,551,067	-	135,551,067
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	7,637,951	7,637,951	-	7,637,951
Other comprehensive income	-	-	-	2,003,915	-	-	2,003,915	-	2,003,915
Total comprehensive income for the period	-	-	-	2,003,915	-	7,637,951	9,641,866	-	9,641,866
Transactions with equity holders, recognised directly in equity, contributions by and distributions to equity holders									
Final dividend for 2022: scrip	1,118,626	-	-	-	-	(1,316,031)	(197,405)	-	(197,405)
Final dividend for 2022: cash	-	-	-	-	-	(3,948,089)	(3,948,089)	-	(3,948,089)
Unclaimed dividend adjustments	-	-	-	-	13,721	-	13,721	-	13,721
Total contributions by and distributions to equity holders	1,118,626	-	-	-	13,721	(5,264,120)	(4,131,773)	-	(4,131,773)
Balance as at 30th June 2023	48,741,119	6,033,000	7,092,922	4,252,565	59,003,068	15,938,486	141,061,160	-	141,061,160

# STATEMENT OF CASH FLOWS

For the six months ended 30th June	Bank		Group	
	2023 (Audited) Rs 000	2022 (Audited) Rs 000	2023 Rs 000	2022 Rs 000
<b>Cash flows from operating activities</b>				
Interest receipts	95,540,440	54,164,357	100,408,534	57,713,521
Interest payments	(55,357,239)	(29,634,233)	(57,814,889)	(31,865,614)
Net commission receipts	9,760,847	8,576,696	10,072,104	9,000,346
Cash payments to employees	(6,953,072)	(6,367,487)	(7,679,057)	(7,065,085)
Taxes on financial services	(3,715,930)	(1,942,376)	(3,896,053)	(2,225,728)
Receipts from other operating activities	567,493	569,033	928,532	1,184,012
Cash payments to other operating activities	(7,583,842)	(5,941,245)	(7,683,314)	(6,440,316)
<b>Operating profit before changes in operating assets &amp; liabilities</b>	<b>32,258,697</b>	<b>19,424,745</b>	<b>34,335,857</b>	<b>20,301,136</b>
<b>(Increase)/decrease in operating assets</b>				
Balances with Central Bank of Sri Lanka	(2,293,290)	5,241,280	(2,293,290)	5,241,280
Financial assets at amortised cost - loans & advances	2,970,131	(41,343,145)	1,642,160	(40,141,354)
Other assets	(4,783,864)	(8,584,858)	(5,541,968)	(8,334,795)
	<b>(4,107,023)</b>	<b>(44,686,723)</b>	<b>(6,193,098)</b>	<b>(43,234,869)</b>
<b>Increase/(decrease) in operating liabilities</b>				
Due to banks	(3,130,904)	(8,981,474)	(2,585,871)	(10,569,864)
Re-purchase agreements	47,583,164	68,235,363	47,583,164	67,433,853
Financial liabilities at amortised cost - due to depositors	64,626,406	(55,284,432)	67,090,512	(53,538,141)
Financial liabilities at amortised cost - due to other borrowers	(1,767,500)	(3,143,490)	(1,767,500)	(3,143,490)
Other liabilities	6,837,980	4,226,667	7,587,697	4,313,588
	<b>114,149,146</b>	<b>5,052,634</b>	<b>117,908,002</b>	<b>4,495,946</b>
<b>Net cash generated from/(used in) operating activities before income tax</b>	<b>142,300,820</b>	<b>(20,209,344)</b>	<b>146,050,761</b>	<b>(18,437,787)</b>
Income tax paid	(4,616,900)	(4,547,956)	(4,988,291)	(5,399,015)
<b>Net cash generated from/(used in) operating activities</b>	<b>137,683,920</b>	<b>(24,757,300)</b>	<b>141,062,470</b>	<b>(23,836,802)</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant & equipment	(665,441)	(224,832)	(1,006,165)	(955,249)
Proceeds from disposal of property, plant & equipment	-	1,874	1,844	3,652
Net cash flow from reverse repurchase agreements	5,673,448	2,750,000	5,449,548	4,699,911
Net cash flow from financial assets - FVPL	(3,660,112)	(1,090,082)	(3,625,235)	(1,090,082)
Net cash flow from debt instruments at amortised cost	(50,902,727)	45,349,260	(52,902,694)	41,999,009
Net cash flow from financial assets - FVOCI	(54,257,358)	4,014,911	(54,257,358)	4,014,911
Purchase of intangible assets	(200,585)	(184,293)	(208,994)	(195,802)
Dividend received from financial assets	-	713	-	713
<b>Net cash (used in)/generated from investing activities</b>	<b>(104,012,775)</b>	<b>50,617,551</b>	<b>(106,549,054)</b>	<b>48,477,063</b>
<b>Cash flows from financing activities</b>				
Proceeds from the issue of debentures	10,000,000	-	10,000,000	-
Redemption of debentures	(7,500,000)	-	(7,500,000)	-
Net proceeds from securitisation	-	-	(1,012,012)	1,000,000
Dividend paid	(4,145,494)	(4,863,589)	(4,145,494)	(4,863,589)
Repayment of principal portion of lease liabilities	(804,108)	(586,354)	(473,132)	(337,904)
<b>Net cash used in financing activities</b>	<b>(2,449,602)</b>	<b>(5,449,943)</b>	<b>(3,130,638)</b>	<b>(4,201,493)</b>
<b>Net cash generated during the period</b>	<b>31,221,543</b>	<b>20,410,308</b>	<b>31,382,778</b>	<b>20,438,768</b>
Net foreign exchange difference	(10,073,563)	3,784,627	(10,073,563)	3,784,627
<b>Cash &amp; cash equivalents at the beginning of the year</b>	<b>90,071,931</b>	<b>25,155,288</b>	<b>89,862,724</b>	<b>25,299,191</b>
<b>Cash &amp; cash equivalents at the end of the period</b>	<b>111,219,911</b>	<b>49,350,223</b>	<b>111,171,939</b>	<b>49,522,586</b>

**NOTES TO THE FINANCIAL STATEMENTS**

**1.0 Analysis of Loans and Advances and Impairment**

	<b>Bank</b>		<b>Group</b>	
	<b>30th June 2023 (Audited) Rs 000</b>	<b>31st December 2022 (Audited) Rs 000</b>	<b>30th June 2023 Rs 000</b>	<b>31st December 2022 (Audited) Rs 000</b>
<b>As at</b>				
<b>1.1 Gross loans &amp; advances</b>	<b>894,020,727</b>	<b>920,121,651</b>	<b>927,169,040</b>	<b>953,090,229</b>
Less: Accumulated impairment under stage 1	9,344,754	9,917,653	9,437,870	9,934,498
Accumulated impairment under stage 2	35,152,447	44,751,656	35,957,923	45,651,154
Accumulated impairment under stage 3	68,236,952	54,294,693	70,933,066	57,527,839
<b>Net loans &amp; advances</b>	<b>781,286,574</b>	<b>811,157,649</b>	<b>810,840,181</b>	<b>839,976,738</b>
<b>1.2 Product-wise loans and advances</b>				
<b>Local currency</b>				
Bills of exchange	197,433	199,719	197,433	199,719
Leasing	23,145,625	28,705,433	51,695,538	56,212,902
Housing loans	51,542,934	54,481,331	51,542,934	54,481,331
Export loans	6,805,109	3,107,861	6,805,109	3,107,861
Import loans	73,939,296	87,188,988	73,939,296	87,188,988
Refinance loans	6,558,359	8,869,594	6,558,359	8,869,594
Term loans	370,615,902	369,913,048	367,108,190	366,794,405
Overdraft	83,855,551	87,331,782	83,330,393	86,335,675
Staff loans	10,623,485	10,888,428	10,742,631	11,026,852
Pawning and gold loans	79,372,173	67,897,237	87,271,778	76,603,695
Credit cards	20,157,500	20,790,055	20,157,474	20,790,032
Money market loans	28,466,220	11,363,511	28,466,220	11,363,511
Factoring	1,748,448	1,837,544	1,923,707	2,209,110
Others	7,325	5,720	444,611	365,154
<b>Sub total</b>	<b>757,035,360</b>	<b>752,580,251</b>	<b>790,183,673</b>	<b>785,548,829</b>
<b>Foreign currency</b>				
Bills of exchange	1,774,627	2,288,964	1,774,627	2,288,964
Housing loans	424,743	728,261	424,743	728,261
Export loans	31,195,921	37,670,492	31,195,921	37,670,492
Import loans	10,386,491	10,660,352	10,386,491	10,660,352
Term loans	84,383,209	105,074,508	84,383,209	105,074,508
Overdraft	8,812,314	11,051,658	8,812,314	11,051,658
Others	8,062	67,165	8,062	67,165
<b>Sub total</b>	<b>136,985,367</b>	<b>167,541,400</b>	<b>136,985,367</b>	<b>167,541,400</b>
<b>Total gross loans and advances</b>	<b>894,020,727</b>	<b>920,121,651</b>	<b>927,169,040</b>	<b>953,090,229</b>

**1.3 Movement of Impairment During the Period**

<b>Bank</b>	<b>Stage 1 Rs 000</b>	<b>Stage 2 Rs 000</b>	<b>Stage 3 Rs 000</b>	<b>Total Rs 000</b>
Balance as at 1st January 2023	9,917,653	44,751,656	54,294,693	108,964,002
Net charge/(reversal) for the period	(358,979)	(8,191,735)	17,245,535	8,694,821
Write-off during the period	-	-	(228,030)	(228,030)
Interest income accrued on impaired loans & advances	-	-	(2,621,872)	(2,621,872)
Other movements including exchange differences	(213,920)	(1,407,474)	(453,374)	(2,074,768)
<b>Balance as at 30th June 2023</b>	<b>9,344,754</b>	<b>35,152,447</b>	<b>68,236,952</b>	<b>112,734,153</b>

<b>Group</b>	<b>Stage 1 Rs 000</b>	<b>Stage 2 Rs 000</b>	<b>Stage 3 Rs 000</b>	<b>Total Rs 000</b>
Balance as at 1st January 2023	9,934,498	45,651,154	57,527,839	113,113,491
Net charge/(reversal) for the period	(282,708)	(8,285,757)	17,226,579	8,658,114
Write-off during the period	-	-	(746,431)	(746,431)
Interest income accrued on impaired loans & advances	-	-	(2,622,867)	(2,622,867)
Other movements including exchange differences	(213,920)	(1,407,474)	(452,054)	(2,073,448)
<b>Balance as at 30th June 2023</b>	<b>9,437,870</b>	<b>35,957,923</b>	<b>70,933,066</b>	<b>116,328,859</b>

**NOTES TO THE FINANCIAL STATEMENTS**

**2.0 Analysis of Commitments and Contingencies and Impairment**

	<b>Bank</b>		<b>Group</b>	
	<b>30th June 2023 (Audited) Rs 000</b>	<b>31st December 2022 (Audited) Rs 000</b>	<b>30th June 2023 Rs 000</b>	<b>31st December 2022 (Audited) Rs 000</b>
<b>As at</b>				
<b>2.1 Gross commitments and contingencies</b>	<b>349,563,135</b>	<b>318,482,231</b>	<b>347,704,395</b>	<b>317,605,110</b>
Less: Accumulated impairment under stage 1	2,054,861	2,128,073	2,046,521	2,122,309
Accumulated impairment under stage 2	838,460	975,413	838,460	975,413
Accumulated impairment under stage 3	-	15,578	-	15,578
<b>Net commitments and contingencies</b>	<b>346,669,814</b>	<b>315,363,167</b>	<b>344,819,414</b>	<b>314,491,810</b>
<b>2.2 Product-wise commitments and contingencies</b>				
<b>Local currency</b>				
<b>Credit related commitments &amp; contingencies</b>				
Undrawn - direct credit facilities	118,082,344	103,715,092	116,088,751	102,562,272
Undrawn - indirect credit facilities	64,039,672	66,213,062	64,014,672	66,213,062
Acceptances	88,659	89,863	88,659	89,863
Documentary credit	978,505	1,174,783	978,505	1,174,783
Guarantees	36,178,053	39,984,632	36,180,753	39,990,333
	<b>219,367,233</b>	<b>211,177,432</b>	<b>217,351,340</b>	<b>210,030,313</b>
<b>Other commitments &amp; contingencies</b>				
Capital commitments	660,953	843,434	818,106	1,113,432
Operating lease commitments	72,489	64,405	72,489	64,405
Forward exchange contracts	6,210,709	1,349,606	6,210,709	1,349,606
Currency SWAPs	19,223,880	4,631,690	19,223,880	4,631,690
	<b>26,168,031</b>	<b>6,889,135</b>	<b>26,325,184</b>	<b>7,159,133</b>
<b>Sub total</b>	<b>245,535,264</b>	<b>218,066,567</b>	<b>243,676,524</b>	<b>217,189,446</b>
<b>Foreign currency</b>				
<b>Credit related commitments &amp; contingencies</b>				
Undrawn - direct credit facilities	38,596,600	46,406,625	38,596,600	46,406,625
Undrawn - indirect credit facilities	4,411,614	8,878,121	4,411,614	8,878,121
Acceptances	12,084,744	12,421,381	12,084,744	12,421,381
Documentary credit	17,881,103	19,816,721	17,881,103	19,816,721
Guarantees	3,558,540	3,839,585	3,558,540	3,839,585
	<b>76,532,601</b>	<b>91,362,433</b>	<b>76,532,601</b>	<b>91,362,433</b>
<b>Other commitments &amp; contingencies</b>				
Capital commitments	305,472	117,551	305,472	117,551
Forward exchange contracts	11,306,065	2,666,132	11,306,065	2,666,132
Currency SWAPs	15,883,734	6,269,548	15,883,734	6,269,548
	<b>27,495,270</b>	<b>9,053,231</b>	<b>27,495,270</b>	<b>9,053,231</b>
<b>Sub total</b>	<b>104,027,872</b>	<b>100,415,664</b>	<b>104,027,872</b>	<b>100,415,664</b>
<b>Total gross commitments and contingencies</b>	<b>349,563,135</b>	<b>318,482,231</b>	<b>347,704,395</b>	<b>317,605,110</b>

**2.3 Movement of Impairment During the Period**

<b>Bank</b>	<b>Stage 1 Rs 000</b>	<b>Stage 2 Rs 000</b>	<b>Stage 3 Rs 000</b>	<b>Total Rs 000</b>
Balance as at 1st January 2023	2,128,073	975,413	15,578	3,119,064
Net charge/(reversal) for the period	(1,789)	(48,601)	(15,578)	(65,969)
Write-off during the period	-	-	-	-
Other movements including exchange differences	(71,423)	(88,351)	-	(159,774)
<b>Balance as at 30th June 2023</b>	<b>2,054,861</b>	<b>838,460</b>	<b>-</b>	<b>2,893,321</b>

<b>Group</b>	<b>Stage 1 Rs 000</b>	<b>Stage 2 Rs 000</b>	<b>Stage 3 Rs 000</b>	<b>Total Rs 000</b>
Balance as at 1st January 2023	2,122,309	975,413	15,578	3,113,300
Net charge/(reversal) for the period	(4,365)	(48,601)	(15,578)	(68,545)
Write-off during the period	-	-	-	-
Other movements including exchange differences	(71,423)	(88,351)	-	(159,774)
<b>Balance as at 30th June 2023</b>	<b>2,046,521</b>	<b>838,460</b>	<b>-</b>	<b>2,884,981</b>

**NOTES TO THE FINANCIAL STATEMENTS**

**3.0 Analysis of Deposits**

As at	Bank		Group	
	30th June 2023 (Audited) Rs 000	31st December 2022 (Audited) Rs 000	30th June 2023 Rs 000	31st December 2022 (Audited) Rs 000
<b>Local Currency Deposits</b>				
Demand deposits	58,313,717	53,597,498	58,300,492	53,572,363
Saving deposits	246,138,527	241,685,530	245,455,296	241,614,954
Call deposits	4,985	6,022	4,985	6,022
Fixed deposits	658,053,831	579,849,920	680,540,133	599,001,636
Certificates of deposits	5,778,017	5,888,555	5,778,017	5,888,555
Margin deposits	1,473,786	1,854,990	1,473,786	1,854,990
<b>Total local currency deposits</b>	<b>969,762,863</b>	<b>882,882,515</b>	<b>991,552,709</b>	<b>901,938,520</b>
<b>Foreign Currency Deposits</b>				
Demand deposits	8,550,899	12,245,502	8,550,899	12,245,502
Saving deposits	44,484,851	52,657,036	44,484,851	52,657,036
Fixed deposits	115,947,939	148,164,690	115,947,939	148,164,690
Margin deposits	170,150	150,131	170,150	150,131
<b>Total foreign currency deposits</b>	<b>169,153,839</b>	<b>213,217,359</b>	<b>169,153,839</b>	<b>213,217,359</b>
<b>Total deposits</b>	<b>1,138,916,702</b>	<b>1,096,099,874</b>	<b>1,160,706,548</b>	<b>1,115,155,879</b>

## EXPLANATORY NOTES

1. There are no changes to the accounting policies and methods of computation since the publication of the annual accounts for the year 2022.
2. The Group Financial Statements comprise a consolidation of the Bank and its fully owned subsidiaries, Sampath Centre Ltd, SC Securities (Pvt) Ltd, Siyapatha Finance PLC and Sampath Information Technology Solutions Ltd.
3. There are no material changes during the period in the composition of assets, liabilities and contingent liabilities. All known expenditure items have been provided for.
4. These interim Financial Statements are presented in accordance with Sri Lanka Accounting Standard - LKAS 34 (Interim Financial Reporting) and provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange.

5. Market Price of a Share	2023 (Rs)	2022 (Rs)
Market Price as at 30th June	55.90	30.20
Highest Market Price during the quarter ended 30th June	57.50	45.00
Lowest Market Price during the quarter ended 30th June	44.10	29.60
Weighted Average Market Price during the quarter ended 30th June	50.81	36.61

6. The Bank's External Auditors, Messrs. Ernst & Young carried out an audit for the period ended 30th June 2023 and expressed an unqualified opinion on the Financial Statements of the Bank as at 30th June 2023.

### 7. Impairment of financial assets

#### Loans and advances

The Bank performed a detailed assessment of individually significant customers as at 30th June 2023. Key assumptions used in the impairment computation of individually significant customers were revised, after evaluating each customer's present financial standing and adequate provisions have been recognized in the Financial Statements.

Sampath Bank continued to maintain the same assumptions it had used as at 31st December 2022 when calculating the collective impairment provisions as at 30th June 2023. Accordingly, provisions recognised by way of management overlays as at the last year end, were also continued without any change.

#### Other financial assets

The Bank opted to accept LKR bonds in settlement of SLDBs under the Domestic Debt Optimization program. Accordingly, the Bank reversed the provisions it had recognised against SLDBs while increasing the impairment provision against SLISBs on account of a possible haircut. The combined impact of the above resulted in a net reversal of impairment provision for the period ended 30th June 2023.

### 8. Events after the reporting period

There are no material events that took place after the reporting date which require adjustment to or disclosure in the Financial Statements other than the item disclosed in Note 8.1 below.

#### 8.1. Appointment of new Managing Director

Mrs Ayodhya Iddawela Perera was appointed as the Managing Director of the Bank with effect from 01st July 2023, consequent to the retirement of Mr Nanda Fernando upon completing his term of office on 30th June 2023.

### 9. Utilisation of funds raised via capital markets

The funds raised via capital markets in the current/previous years were fully utilised for the objectives stated in the relevant prospectuses.

### 10. Reclassification of Debt Portfolio in 2022

In 2022, the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) issued a "Statement of Alternative Treatment (SoAT) on Reclassification of Debt portfolio" which provided a one-off option to the entities to reclassify their debt portfolios measured at Fair Value through Other Comprehensive Income (FVOCI) to Amortised Cost (AC). This SoAT was issued considering the unprecedented macro-economic conditions prevailed during the year 2022. Applying this SoAT, the Bank reclassified its FVOCI treasury bond portfolio with effect from 1st April 2022 to AC.

Amortised cost of the treasury bonds reclassified from FVOCI and outstanding as at 30th June 2023 amounted to Rs 25.7 Bn. Had these treasury bonds continued at FVOCI, the fair value and the cumulative mark to market loss as at 30th June 2023 would have been Rs 24.1 Bn and Rs 1.6 Bn respectively.



**SAMPATH BANK PLC (ORDINARY SHARES)**  
**TOP 20 SHAREHOLDERS AS AT 30TH JUNE 2023**

<b>Name of the Shareholder</b>	<b>No. of shares</b>	<b>% holding</b>
1 Vallibel One PLC	175,352,762	14.95
2 Ayenka Holdings Private Limited	116,948,834	9.97
3 Employees' Provident Fund	116,948,697	9.97
4 Phantom Investments (Pvt) Limited	104,795,215	8.94
5 Mr Y S H I Silva*	96,121,110	8.20
6 Rosewood (Pvt) Limited - Account No.1	52,678,348	4.49
7 Akbar Brothers Pvt Ltd A/C No. 1	28,134,771	2.40
8 Employees' Trust Fund Board	22,980,577	1.96
9 Senthilverl Holdings (Pvt) Ltd	18,977,138	1.62
10 Citi Bank Newyork S/A Norges Bank Account 2	12,479,931	1.06
11 Sampath Bank PLC Account No. 4 (Sampath Bank Pension Fund)	11,832,461	1.01
12 Mrs P D A S Beruwalage	11,105,469	0.95
13 Dr T Senthilverl	10,988,814	0.94
14 BBH - Tundra Sustainable Frontier Fund	9,837,629	0.84
15 SSBT-AL Mehwar Commercial Investments L.L.C.	6,877,041	0.59
16 Magna Wealth (Pvt) Ltd	6,561,404	0.56
17 Hatton National Bank PLC - Capital Alliance Quantitative Equity Fund	5,115,568	0.44
18 Phoenix Ventures Private Limited	5,031,512	0.43
19 Mellon Bank N A - UPS Group Trust	4,770,506	0.43
20 Mr B A Mahipala	4,756,704	0.41
	<b>822,294,491</b>	<b>70.14</b>
Shares held by Directors	2,049,624	0.16
Balance held by other shareholders	348,356,645	29.70
<b>Total</b>	<b>1,172,700,760</b>	<b>100.00</b>

\*Mr Rushanka Silva, the Managing Director of Indra Traders (Pvt) Ltd, was appointed as a Non Executive, Non Independent Director of the Bank with effect from 01st September 2017. Accordingly the shareholding of Mr Y S H I Silva, who is the main shareholder of Indra Traders (Pvt) Ltd, has been excluded from the public shareholding of the Bank.

<b>As at</b>	<b>30th June 2023</b>
Number of public shareholders	29,943
Percentage of public holding	90.62%
Float adjusted market capitalization	Rs 59 Bn

The Bank complies with the minimum public holding requirement under option 1 of listing rules section 7.13.1 (a).

## Directors' Holding in Shares of Sampath Bank PLC

Director's Name	No. of shares held	
	As at 30th June 2023	As at 31st December 2022
1 Mr Harsha Amarasekera	-	-
2 Mr Rushanka Silva	-	-
3 Mr D K de Silva Wijeyeratne	-	-
4 Ms A Nanayakkara	-	-
5 Dr J T V S Weerawarana	-	-
6 Mr Vajira Kulatilaka	-	-
7 Ms R K Jayawardena	-	-
8 Mr Vinod Hirdaramani	288,087	281,129
9 Mr Hiran Cabraal	-	-
10 Mr M N R Fernando (Managing Director) (Retired w.e.f. 30th June 2023)	1,761,537	1,718,988
11 Mr D A de Vas Gunasekara (Chief Financial Officer)	-	-

**Segment Information - Group**

For the six months ended 30th June	Corporate Banking		Retail & Personal Banking		Dealing/Investment		Others		(Eliminations)/Unallocated		Total	
	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
Net interest income	19,546,788	16,757,398	28,038,955	18,656,011	8,749,350	7,519,712	-	-	(20,908,185)	(9,920,345)	35,426,908	33,012,776
Net fee & commission income	2,725,862	3,222,377	7,219,899	5,545,342	128,320	248,641	-	-	-	-	10,074,081	9,016,360
Net gain/(loss) from trading	-	-	-	-	1,669,820	(2,541,606)	-	-	-	-	1,669,820	(2,541,606)
Net gain on derecognition of financial assets	-	-	-	-	305,927	184,484	-	-	-	-	305,927	184,484
Net other operating income	116,559	166,458	793,556	956,087	2,018,640	(3,733,816)	120,685	56,527	(7,995,822)	18,817,784	(4,946,382)	16,263,040
Total revenue from external customers	22,389,209	20,146,233	36,052,410	25,157,440	12,872,057	1,677,415	120,685	56,527	(28,904,007)	8,897,439	42,530,354	55,935,054
Inter segment (expense)/income	(578,516)	(547,854)	619,157	582,443	-	-	416,803	324,606	(457,444)	(359,195)	-	-
Total operating income	<b>21,810,693</b>	<b>19,598,379</b>	<b>36,671,567</b>	<b>25,739,883</b>	<b>12,872,057</b>	<b>1,677,415</b>	<b>537,488</b>	<b>381,133</b>	<b>(29,361,451)</b>	<b>8,538,244</b>	<b>42,530,354</b>	<b>55,935,054</b>
Less: Impairment charge	4,501,750	13,117,704	4,129,083	7,425,572	(1,422,705)	7,914,778	(5,599)	8,209	(2,146)	103,501	7,200,383	28,569,764
Net operating income	17,308,943	6,480,675	32,542,484	18,314,311	14,294,762	(6,237,363)	543,087	372,924	(29,359,305)	8,434,743	<b>35,329,971</b>	<b>27,365,290</b>
Less: Total operating expenses	281,343	259,339	9,777,503	8,031,412	235,408	202,282	285,064	215,425	6,989,205	5,958,698	17,568,523	14,667,156
<b>Segment result</b>	<b>17,027,600</b>	<b>6,221,336</b>	<b>22,764,981</b>	<b>10,282,899</b>	<b>14,059,354</b>	<b>(6,439,645)</b>	<b>258,023</b>	<b>157,499</b>	<b>(36,348,510)</b>	<b>2,476,045</b>	<b>17,761,448</b>	<b>12,698,134</b>
Less: Taxes on financial services											4,331,088	3,058,326
Less: Income tax expense											5,792,409	2,270,589
<b>Profit for the period</b>											<b>7,637,951</b>	<b>7,369,219</b>
Non controlling interest											-	-
Profit attributable to equity holders of the Bank											<b>7,637,951</b>	<b>7,369,219</b>
<b>As at 30th June</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>
Segment assets	403,034,511	437,325,657	487,659,747	513,802,162	469,180,223	344,912,150	8,989,338	7,808,505	(12,918,826)	(11,173,027)	1,355,944,993	1,292,675,447
Unallocated assets	-	-	-	-	-	-	-	-	111,573,498	71,174,451	111,573,498	71,174,451
<b>Total assets</b>	<b>403,034,511</b>	<b>437,325,657</b>	<b>487,659,747</b>	<b>513,802,162</b>	<b>469,180,223</b>	<b>344,912,150</b>	<b>8,989,338</b>	<b>7,808,505</b>	<b>98,654,672</b>	<b>60,001,424</b>	<b>1,467,518,491</b>	<b>1,363,849,898</b>
Segment liabilities	30,205,363	42,823,250	1,149,357,302	1,014,806,142	57,503,000	81,509,488	3,287,180	2,781,971	(8,810,514)	(8,088,935)	1,231,542,331	1,133,831,916
Unallocated liabilities	-	-	-	-	-	-	-	-	94,915,000	101,973,500	94,915,000	101,973,500
<b>Total liabilities</b>	<b>30,205,363</b>	<b>42,823,250</b>	<b>1,149,357,302</b>	<b>1,014,806,142</b>	<b>57,503,000</b>	<b>81,509,488</b>	<b>3,287,180</b>	<b>2,781,971</b>	<b>86,104,486</b>	<b>93,884,565</b>	<b>1,326,457,331</b>	<b>1,235,805,416</b>
<b>For the six months ended 30th June</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>
Cash flows from operating activities	16,939,470	(20,767,619)	124,723,801	(2,364,300)	(92,010)	(85,352)	368,630	(74,740)	(877,421)	(544,791)	141,062,470	(23,836,802)
Cash flows from investing activities	-	-	-	-	(103,156,199)	51,602,305	(366,421)	(239,238)	(3,026,434)	(2,886,004)	(106,549,054)	48,477,063
Cash flows from financing activities	-	-	(545,444)	1,081,040	-	-	128,375	5,945	(2,713,569)	(5,288,478)	(3,130,638)	(4,201,493)
Capital expenditure	-	-	(28,261)	(464,969)	-	-	(219,043)	(194,314)	(967,855)	(491,768)	(1,215,159)	(1,151,051)

**ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS**

**Bank - As at 30th June 2023 (Audited)**

<b>Financial Assets</b>	<b>Fair value through Profit or Loss  Rs 000</b>	<b>Amortised Cost  Rs 000</b>	<b>Fair Value through Other Comprehensive Income Rs 000</b>	<b>Total  Rs 000</b>
Cash & cash equivalents	-	80,316,463	-	80,316,463
Balances with Central Bank of Sri Lanka	-	33,872,475	-	33,872,475
Placements with banks	-	30,914,412	-	30,914,412
Reverse repurchase agreements	-	4,327,706	-	4,327,706
Derivative financial instruments	710,117	-	-	710,117
Financial assets recognised through profit or loss - measured at fair value	8,687,897	-	-	8,687,897
Financial assets at amortised cost				
- loans & advances	-	781,286,574	-	781,286,574
- debt & other instruments	-	308,490,283	-	308,490,283
Financial assets - fair value through other comprehensive income	-	-	105,989,033	105,989,033
Other assets	-	25,507,258	-	25,507,258
<b>Total Financial Assets</b>	<b>9,398,014</b>	<b>1,264,715,171</b>	<b>105,989,033</b>	<b>1,380,102,218</b>

<b>Financial Liabilities</b>	<b>Fair value through Profit or Loss  Rs 000</b>	<b>Amortised Cost  Rs 000</b>	<b>Total  Rs 000</b>
Due to banks	-	7,349,910	7,349,910
Derivative financial instruments	565,616	-	565,616
Securities sold under repurchase agreements	-	49,743,919	49,743,919
Financial liabilities at amortised cost			
- due to depositors	-	1,138,916,702	1,138,916,702
- due to other borrowers	-	7,400,760	7,400,760
- due to debt securities holders	-	27,968,717	27,968,717
Dividend payable	-	223,410	223,410
Other liabilities	-	30,883,570	30,883,570
<b>Total Financial Liabilities</b>	<b>565,616</b>	<b>1,262,486,988</b>	<b>1,263,052,604</b>

**Bank - As at 31st December 2022 (Audited)**

<b>Financial Assets</b>	<b>Fair value through Profit or Loss  Rs 000</b>	<b>Amortised Cost  Rs 000</b>	<b>Fair Value through Other Comprehensive Income Rs 000</b>	<b>Total  Rs 000</b>
Cash & cash equivalents	-	79,162,545	-	79,162,545
Balances with Central Bank of Sri Lanka	-	31,579,185	-	31,579,185
Placements with banks	-	10,927,216	-	10,927,216
Reverse repurchase agreements	-	10,072,569	-	10,072,569
Derivative financial instruments	44,598	-	-	44,598
Financial assets recognised through profit or loss - measured at fair value	4,641,277	-	-	4,641,277
Financial assets at amortised cost				
- loans & advances	-	811,157,649	-	811,157,649
- debt & other instruments	-	278,775,796	-	278,775,796
Financial assets - fair value through other comprehensive income	-	-	32,772,930	32,772,930
Other assets	-	21,174,017	-	21,174,017
<b>Total Financial Assets</b>	<b>4,685,875</b>	<b>1,242,848,977</b>	<b>32,772,930</b>	<b>1,280,307,782</b>

<b>Financial Liabilities</b>	<b>Fair value through Profit or Loss  Rs 000</b>	<b>Amortised Cost  Rs 000</b>	<b>Total  Rs 000</b>
Due to banks	-	11,297,181	11,297,181
Derivative financial instruments	1,449,393	-	1,449,393
Securities sold under repurchase agreements	-	2,283,291	2,283,291
Financial liabilities at amortised cost			
- due to depositors	-	1,096,099,874	1,096,099,874
- due to other borrowers	-	9,173,923	9,173,923
- due to debt securities holders	-	25,259,536	25,259,536
Dividend payable	-	187,141	187,141
Other liabilities	-	24,725,468	24,725,468
<b>Total Financial Liabilities</b>	<b>1,449,393</b>	<b>1,169,026,414</b>	<b>1,170,475,807</b>

**ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS**

**Group - As at 30th June 2023**

<b>Financial Assets</b>	<b>Fair value through Profit or Loss  Rs 000</b>	<b>Amortised Cost  Rs 000</b>	<b>Fair Value through Other Comprehensive Income  Rs 000</b>	<b>Total  Rs 000</b>
Cash & cash equivalents	-	80,638,408	-	80,638,408
Balances with Central Bank of Sri Lanka	-	33,872,475	-	33,872,475
Placements with banks	-	30,914,412	-	30,914,412
Reverse repurchase agreements	-	4,778,606	-	4,778,606
Derivative financial instruments	710,117	-	-	710,117
Financial assets recognised through profit or loss - measured at fair value	8,802,833	-	-	8,802,833
Financial assets at amortised cost				
- loans & advances	-	810,840,181	-	810,840,181
- debt & other instruments	-	315,952,116	-	315,952,116
Financial assets - fair value through other comprehensive income	-	-	105,989,089	105,989,089
Other assets	-	27,569,639	-	27,569,639
<b>Total Financial Assets</b>	<b>9,512,950</b>	<b>1,304,565,837</b>	<b>105,989,089</b>	<b>1,420,067,876</b>

<b>Financial Liabilities</b>	<b>Fair value through Profit or Loss  Rs 000</b>	<b>Amortised Cost  Rs 000</b>	<b>Total  Rs 000</b>
Due to banks	-	11,823,806	11,823,806
Derivative financial instruments	565,616	-	565,616
Securities sold under repurchase agreements	-	49,743,919	49,743,919
Financial liabilities at amortised cost			
- due to depositors	-	1,160,706,548	1,160,706,548
- due to other borrowers	-	7,400,760	7,400,760
- due to debt securities holders	-	34,853,355	34,853,355
Dividend payable	-	223,410	223,410
Other liabilities	-	32,106,368	32,106,368
<b>Total Financial Liabilities</b>	<b>565,616</b>	<b>1,296,858,166</b>	<b>1,297,423,782</b>

**Group - As at 31st December 2022 (Audited)**

<b>Financial Assets</b>	<b>Fair value through Profit or Loss  Rs 000</b>	<b>Amortised Cost  Rs 000</b>	<b>Fair Value through Other Comprehensive Income  Rs 000</b>	<b>Total  Rs 000</b>
Cash & cash equivalents	-	79,344,587	-	79,344,587
Balances with Central Bank of Sri Lanka	-	31,579,185	-	31,579,185
Placements with banks	-	10,927,216	-	10,927,216
Reverse repurchase agreements	-	10,299,569	-	10,299,569
Derivative financial instruments	44,598	-	-	44,598
Financial assets recognised through profit or loss - measured at fair value	4,822,395	-	-	4,822,395
Financial assets at amortised cost				
- loans & advances	-	839,976,738	-	839,976,738
- debt & other instruments	-	284,237,662	-	284,237,662
Financial assets - fair value through other comprehensive income	-	-	32,772,986	32,772,986
Other assets	-	22,481,685	-	22,481,685
<b>Total Financial Assets</b>	<b>4,866,993</b>	<b>1,278,846,642</b>	<b>32,772,986</b>	<b>1,316,486,621</b>

<b>Financial Liabilities</b>	<b>Fair value through Profit or Loss  Rs 000</b>	<b>Amortised Cost  Rs 000</b>	<b>Total  Rs 000</b>
Due to banks	-	15,255,184	15,255,184
Derivative financial instruments	1,449,393	-	1,449,393
Securities sold under repurchase agreements	-	2,283,291	2,283,291
Financial liabilities at amortised cost			
- due to depositors	-	1,115,155,879	1,115,155,879
- due to other borrowers	-	9,173,923	9,173,923
- due to debt securities holders	-	32,872,261	32,872,261
Dividend payable	-	187,141	187,141
Other liabilities	-	25,350,978	25,350,978
<b>Total Financial Liabilities</b>	<b>1,449,393</b>	<b>1,200,278,657</b>	<b>1,201,728,050</b>

## FAIR VALUE OF FINANCIAL INSTRUMENTS

All financial assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, as described below.

(a) Level 1 – Quoted market price (unadjusted)

When available, the Bank measures the fair value of financial instruments using quoted market prices in an active market. Accordingly, quoted equity securities have been valued using quoted market prices as at the reporting date, while the fair values of treasury bills and bonds have been derived using the yield curves published by the Central Bank of Sri Lanka.

(b) Level 2 – Valuation technique using observable inputs

If a market for a financial instrument is not active, then the Bank measures fair value of such instruments using quoted prices for similar assets and liabilities in active markets or quoted prices for identical/similar assets and liabilities in inactive markets or using models where all significant inputs are observable. The Bank has used the spot and forward premiums available as at the reporting date to estimate the fair value of derivative financial instruments. Fair values of financial assets and financial liabilities carried at amortised cost have been estimated by comparing the interest rates when they were first recognised with the current market rates of similar instruments.

(c) Level 3 – Valuation technique with significant unobservable inputs

Assets and liabilities valued using valuation techniques where one or more significant inputs are unobservable.

There are no material changes in the fair value of financial assets categorised under Level 3 compared to the values reported as at 31st December 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 30th June 2023.

### Financial Assets & Liabilities Measured at Fair Value - Fair Value Hierarchy

#### Bank

Date of Valuation	As at 30th June 2023 (Audited)				As at 31st December 2022 (Audited)			
	Fair Value Measurement Using			Total	Fair Value Measurement Using			Total
	Quoted Prices in Active Markets	Significant Observable Inputs	Significant Unobservable Inputs		Quoted Prices in Active Markets	Significant Observable Inputs	Significant Unobservable Inputs	
	(Level 1) Rs 000	(Level 2) Rs 000	(Level 3) Rs 000		(Level 1) Rs 000	(Level 2) Rs 000	(Level 3) Rs 000	
<b>Financial assets measured at fair value</b>								
Derivative financial instruments	-	710,117	-	710,117	-	44,598	-	44,598
Financial assets - fair value through profit or loss	8,687,897	-	-	8,687,897	4,641,277	-	-	4,641,277
Financial assets - fair value through other comprehensive income	105,164,070	764,500	60,463	105,989,033	32,040,333	671,756	60,841	32,772,930
<b>Total financial assets measured at fair value</b>	<b>113,851,967</b>	<b>1,474,617</b>	<b>60,463</b>	<b>115,387,047</b>	<b>36,681,610</b>	<b>716,354</b>	<b>60,841</b>	<b>37,458,805</b>
<b>Financial liabilities measured at fair value</b>								
Derivative financial instruments	-	565,616	-	565,616	-	1,449,393	-	1,449,393
<b>Total financial liabilities measured at fair value</b>	<b>-</b>	<b>565,616</b>	<b>-</b>	<b>565,616</b>	<b>-</b>	<b>1,449,393</b>	<b>-</b>	<b>1,449,393</b>

#### Group

Date of Valuation	As at 30th June 2023				As at 31st December 2022 (Audited)			
	Fair Value Measurement Using			Total	Fair Value Measurement Using			Total
	Quoted Prices in Active Markets	Significant Observable Inputs	Significant Unobservable Inputs		Quoted Prices in Active Markets	Significant Observable Inputs	Significant Unobservable Inputs	
	(Level 1) Rs 000	(Level 2) Rs 000	(Level 3) Rs 000		(Level 1) Rs 000	(Level 2) Rs 000	(Level 3) Rs 000	
<b>Financial assets measured at fair value</b>								
Derivative financial instruments	-	710,117	-	710,117	-	44,598	-	44,598
Financial assets - fair value through profit or loss	8,802,833	-	-	8,802,833	4,822,395	-	-	4,822,395
Financial assets - fair value through other comprehensive income	105,164,070	764,500	60,519	105,989,089	32,040,333	671,756	60,897	32,772,986
<b>Total financial assets measured at fair value</b>	<b>113,966,903</b>	<b>1,474,617</b>	<b>60,519</b>	<b>115,502,039</b>	<b>36,862,728</b>	<b>716,354</b>	<b>60,897</b>	<b>37,639,979</b>
<b>Financial liabilities measured at fair value</b>								
Derivative financial instruments	-	565,616	-	565,616	-	1,449,393	-	1,449,393
<b>Total financial liabilities measured at fair value</b>	<b>-</b>	<b>565,616</b>	<b>-</b>	<b>565,616</b>	<b>-</b>	<b>1,449,393</b>	<b>-</b>	<b>1,449,393</b>

**FAIR VALUE OF FINANCIAL INSTRUMENTS (Contd....)**

**Fair Value of Financial Assets and Liabilities Carried at Amortised Cost**

**Bank**

Date of Valuation	As at 30th June 2023 (Audited)					As at 31st December 2022 (Audited)				
	Fair Value				Carrying Value Rs 000	Fair Value				Carrying Value Rs 000
	Level 1 Rs 000	Level 2 Rs 000	Level 3 Rs 000	Total Rs 000		Level 1 Rs 000	Level 2 Rs 000	Level 3 Rs 000	Total Rs 000	
<b>Financial Assets</b>										
Financial assets at amortised cost										
loans & advances	-	772,770,964	-	772,770,964	781,286,574	-	791,005,705	-	791,005,705	811,157,649
debt & other instruments	229,257,980	49,576,556	-	278,834,536	308,490,283	164,475,802	58,100,341	-	222,576,143	278,775,796
	229,257,980	822,347,520	-	1,051,605,500	1,089,776,857	164,475,802	849,106,046	-	1,013,581,848	1,089,933,445
<b>Financial Liabilities</b>										
Financial liabilities at amortised cost										
due to banks	-	7,349,910	-	7,349,910	7,349,910	-	11,297,181	-	11,297,181	11,297,181
due to depositors - fixed & certificate of deposits	-	787,531,726	-	787,531,726	779,779,787	-	735,091,094	-	735,091,094	733,903,165
due to debt securities holders	-	26,272,712	-	26,272,712	27,968,717	-	20,292,758	-	20,292,758	25,259,536
	-	821,154,348	-	821,154,348	815,098,414	-	766,681,033	-	766,681,033	770,459,882

**Group**

Date of Valuation	As at 30th June 2023					As at 31st December 2022 (Audited)				
	Fair Value				Carrying Value Rs 000	Fair Value				Carrying Value Rs 000
	Level 1 Rs 000	Level 2 Rs 000	Level 3 Rs 000	Total Rs 000		Level 1 Rs 000	Level 2 Rs 000	Level 3 Rs 000	Total Rs 000	
<b>Financial Assets</b>										
Financial assets at amortised cost										
loans & advances	-	803,563,302	-	803,563,302	810,840,181	-	819,121,483	-	819,121,483	839,976,738
debt & other instruments	236,719,813	49,576,556	-	286,296,369	315,952,116	169,937,668	58,100,341	-	228,038,009	284,237,662
	236,719,813	853,139,858	-	1,089,859,671	1,126,792,297	169,937,668	877,221,824	-	1,047,159,492	1,124,214,400
<b>Financial Liabilities</b>										
Financial liabilities at amortised cost										
due to banks	-	11,784,745	-	11,784,745	11,823,806	-	15,174,226	-	15,174,226	15,255,184
due to depositors - fixed & certificate of deposits	-	812,011,730	-	812,011,730	802,266,089	-	754,033,695	-	754,033,695	753,054,881
due to debt securities holders	-	32,622,898	-	32,622,898	34,853,355	-	27,121,650	-	27,121,650	32,872,261
	-	856,419,373	-	856,419,373	848,943,250	-	796,329,571	-	796,329,571	801,182,326

The following table lists those financial instruments for which their carrying amounts are a reasonable approximation of fair values because, for example, they are short term in nature or re-priced to current market rates frequently.

<b>Assets</b>	<b>Liabilities</b>
Cash & cash equivalents	Securities sold under repurchase agreements
Balances with Central Bank of Sri Lanka	Savings, demand, call & margin deposits
Placements with banks	Due to other borrowers
Reverse repurchase agreements	Dividend payable
Other financial assets	Other financial liabilities

## DEBENTURE INFORMATION

### (a) Market Values

Debentures - 2019/2024	Highest (Rs)		Lowest (Rs)		Quarter End (Rs)	
	2023	2022	2023	2022	2023	2022
Fixed - 13.90%	100.00	N/T	100.00	N/T	100.00	N/T

Debentures - 2021/2028	Highest (Rs)		Lowest (Rs)		Quarter End (Rs)	
	2023	2022	2023	2022	2023	2022
Fixed - 9.00%	N/T	N/T	N/T	N/T	N/T	N/T

Debentures - 2023/2028	Highest (Rs)		Lowest (Rs)		Quarter End (Rs)	
	2023	2022	2023	2022	2023	2022
Fixed - 28.00%	100.00	N/A	99.15	N/A	99.15	N/A
Floating rate	N/T	N/A	N/T	N/A	N/T	N/A

N/T - Not Traded

N/A - Not Applicable

### (b) Interest Rates

Debentures - 2019/2024	2023		2022	
	Coupon rate	Effective rate	Coupon rate	Effective rate
Fixed - 13.90%	13.90%	13.90%	13.90%	13.90%

Debentures - 2021/2028	2023		2022	
	Coupon rate	Effective rate	Coupon rate	Effective rate
Fixed - 9.00%	9.00%	9.00%	9.00%	9.00%

Debentures - 2023/2028	2023		2022	
	Coupon rate	Effective rate	Coupon rate	Effective rate
Fixed - 28.00%	28.00%	28.00%	N/A	N/A
Floating rate	Note 01			

N/A - Not Applicable

Note 01

#### **Debentures - 2023/2028**

Floating rate is equivalent to the one year gross treasury bill rate plus 1.5%, subject to a floor of 20.0% & a cap of 31.0% p.a. payable annually.



## DEBENTURE INFORMATION (Cont ..)

### (c) Interest Rate of Comparable Government Securities

	2023	2022
3 Month Treasury Bill	23.00%	23.85%
6 Month Treasury Bill	19.49%	24.40%
5 Year Treasury Bond	22.16%	21.18%
7 Year Treasury Bond	20.66%	20.34%

### (d) Current Yield & Yield to Maturity

Debentures - 2019/2024	Fixed 13.90%	
	2023	2022
Current yield	13.90%	N/T
Yield to maturity of last trade	13.53%	N/T

Debentures - 2021/2028	Fixed 9.00%	
	2023	2022
Current yield	N/T	N/T
Yield to maturity of last trade	N/T	N/T

Debentures - 2023/2028	Fixed 28.00%		Floating	
	2023	2022	2023	2022
Current yield	28.24%	N/A	N/T	N/A
Yield to maturity of last trade	28.07%	N/A	N/T	N/A

N/T - Not Traded

N/A - Not Applicable

Note 02

#### Debentures - 2018/2023

The Bank has redeemed the debenture issued in 2018 amounting to Rs 7.5 Bn on 20th March 2023.

### (e) Ratios - Bank

	30.06.2023	31.12.2022
Debt to Equity Ratio (%)	20.0%	18.8%
Interest Cover (Times)	8.8	6.8
Quick Asset Ratio (%) (as per CBSL Return)	81.2%	75.1%

**SELECTED PERFORMANCE INDICATORS (AS PER REGULATORY REPORTING)**

Item	As at 30th June 2023	As at 31st December 2022	As at 30th June 2023	As at 31st December 2022
	Bank		Group	
<b>Regulatory Capital (Rs 000)</b>				
Common Equity Tier 1 Capital	105,245,793	95,533,144	113,977,456	102,822,613
Total Tier 1 Capital	105,245,793	95,533,144	113,977,456	102,822,613
Total Capital	131,511,284	114,351,589	140,695,529	122,096,525
<b>Regulatory Capital Ratios (%)</b>				
Common Equity Tier 1 Capital Ratio (Minimum Requirement - 7.0%)	13.89	11.92	14.24	12.18
Total Tier 1 Capital Ratio (Minimum Requirement - 8.5%)	13.89	11.92	14.24	12.18
Total Capital Ratio (Minimum Requirement - 12.5%)	17.36	14.27	17.58	14.46
<b>Leverage Ratio % (Minimum Requirement - 3%)</b>	6.76	7.00	7.10	7.29

	As at 30th June 2023	As at 31st December 2022
	Bank	
<b>Assets Quality (Quality of Loan Portfolio)</b>		
Impaired Loans (Stage 3) Ratio %	5.49	4.35
Impairment (Stage 3) to Stage 3 Loans Ratio (%)	54.20	53.84
<b>Profitability</b>		
Interest Margin, %	5.19	5.66
Return on Assets (Before Tax), %	1.99	1.16
Return on Equity (After Tax), %	12.10	10.95
<b>Regulatory Liquidity</b>		
Statutory Liquid Assets - Bank (Rs 000)	424,028,836	326,607,580
Statutory Liquid Assets Ratio - Bank (Minimum Requirement - 20%)	35.56	27.85
Total Stock of High-Quality Liquid Assets (Rs 000)	343,734,620	226,064,957
Liquidity Coverage Ratio - Rupee (%) (Minimum Requirement: 2023 - 100%, 2022 - 90%)	227.94	200.78
Liquidity Coverage Ratio - All Currency (%) (Minimum Requirement: 2023 - 100%, 2022 - 90%)	228.79	146.53
Net Stable Funding Ratio (%) (Minimum Requirement: 2023 - 100%, 2022 - 90%)	165.16	157.10