



**INTERIM FINANCIAL STATEMENTS**  
**for the year ended 31 December 2021**  
**(Audited)**

**Bank of Ceylon**

Fitch Ratings: AA- (lka)

## **Financial commentary for the Year 2021**

- Profit Before Tax: Rs. 43.2 billion
- Revenue growth of 17%
- Net Interest income of Rs. 111.3 billion with 49 % growth
- Total Assets; achieved another milestone during the year: Rs. 3.8 trillion
- Over Rs. 2 trillion Deposits and Advances base

### **Overview of the operating environment**

The, year 2021 was another challenging year for the entire world due to wider and much longer impacts turned out by the Covid-19 pandemic. However, Sri Lanka being one of the few countries to initiate a successful vaccination drive in early 2021 was able to lift long lasted lockdowns creating conducive environment for the economic revival. The timely execution of the gradual shift between accommodative and tight monetary policy position and through many other policy instruments and further extension on extraordinary measures, the Central Bank of Sri Lanka were actively managing the tight headwinds created by the supply side inflation experienced in essential commodities coupled with a stressed external position due to the devastating setbacks experienced by major foreign earning industries. A Notable increase in credit to private sector was experienced while accommodative monetary policy was in place, creating a conducive environment for post Covid-19 recovery.

As the largest bank in the country the contribution of Bank of Ceylon in functionalizing the initiatives taken by the Central Bank of Sri Lanka in stabilizing the macroeconomic fundamentals of the country is praise worthy.

### **Bank of Ceylon's role**

Throughout this difficult period the Bank of Ceylon continued to play the role of being Bankers to the Nation and supported the Nation to deliver its mandate of uplifting the COVID 19 hit economy. Availability of banking services was ensured even in lockdown times without compromising on the customer needs. The digital delivery channels were enhanced to cater to the emerged demand with the situation while the customer adoption rate to digital services platforms increased than expected.

All concessions given under the way of moratorium announced by CBSL were granted to customers and going further the Bank's own concession schemes were also offered. More focus was given on boosting the SME sector and without just merely assisting in financing, the Bank

assisted them in providing related business knowhow. As the largest Bank in the country the Bank took the lead in providing necessary funding needs for importing the oil, vaccine, food and other essential goods too.

### **Financial Performance**

The Bank reiterated its position as the undisputed market leader in Sri Lanka's banking sector, demonstrating its unparalleled ability to truly support its customers and the overall economy in trying times. Demonstrating its strength, agility and strategic approach in facing the challenges caused by the fluctuations of market interest rates and stressed credit quality due to the COVID hit economy and operational restrictions, the Bank was able to increase both its fund-based and fee-based income during the year and recorded Rs. 43.2 billion Profit Before Tax. This is a remarkable achievement for the Bank as it denotes the Bank's strength of converting the challenges to opportunities. Also the Bank reported another milestone by surpassing Rs. 3.0 trillion in its assets base during the year.

### **Fund Based Income**

Mostly, owing to loan growth and continuous credit monitoring efforts taken during 2021, the Bank reported Rs. 260.5 billion interest income which is a 15% increase over the year 2020. The remarkable loan growth achieved during the previous year materialized during this year and the interest income generated through loans and advances stood at Rs. 193.1 billion contributing 74% to the total interest income. The main contributive portfolios were overdraft, term loan and personal loan. Out of the interest income earned from the investment portfolio the debt instruments which mainly comprises Government Treasury Bills, Bonds and other Foreign Currency Sovereign Bonds brought the major portion which stood at Rs. 65.7 billion.

In the meantime, interest expenses declined by 2% to Rs. 149.3 billion in line with the increase in the CASA ratio to 36% from 35% (2020) and repricing the deposits at lower rates. The two-way movement in interest income and interest expense positively contributed to Net Interest Income (NII) of the Bank and NII has increased by 49% to Rs. 111.3 billion YoY.

## **Non- Fund Based Income**

Non-fund-based income of the Bank grew by 42% YoY basis and the main contributors were fee and commission income and exchange income. Fee and Commission income received a boost with the operationalizing of business activities under new normal scenario. The key component of the fee and commission income is the transactional banking related fee and commission income which contributed to 69% of the fee and commission income. During the period under review, an exchange gain of Rs. 9.2 billion was reported.

## **Impairment Charges for Loans and Advances and Other Financial Instruments**

Impairment charges for loans and advances for the period amounted to Rs. 35.4 billion bringing the loan to impairment provision reserve ratio to 6%. NPA ratio stood at 4.5% against 4.8% reported by end 2020. However, when calculating the impairment charge, the Bank always follows a very prudent approach; given the high degree of uncertainty and extraordinary circumstances in the short-term economic conditions mainly caused by the continuous disruptions to businesses the Bank made an additional expected loss provision using management overlays on identified risk elevated industries.

Individually Significant Customers were thoroughly assessed for their repayment ability irrespective of the moratorium or concessions they enjoyed due to the COVID 19 situation and necessary provisions were made along with the independent review carried out by the Risk Department. Accordingly the provision made for stage III customers escalated to by Rs.19.7 billion (19%) and provision for Stage II customers increased by Rs.3.7 billion (32%).

The Bank has considerable exposure to investments in foreign currency denominated sovereign exposures by way of Sri Lanka Development Bonds and International Sovereign Bonds. As per the regulatory and Accounting Standards requirements a significant amount of provision, i.e Rs. 8.3 billion was made for investments in aforesaid instruments by capturing the impact of downgrade in the country rating.

## **Operating Expenses**

The operating expenses of Rs. 41.7 billion consists of personnel costs, assets maintenance, deposit insurance and other overhead expenses. The increment of 26% by Rs. 8.6 billion reported in operating expenses in line with the increase in personnel expenses due to revision of salary scales according to the collective agreement and absorption of Trainee Staff Assistants to the permanent

cadre and provision for post-retirement benefit plans. Other expenses settled at Rs. 12.6 billion for the year with a 18% upside backed by an increase in deposit insurance premium due to the growth in deposit base and upturn in office administration and establishment expenses due to special transport arrangements for staff and implementing special safety measures for COVID 19 at the Bank's premises. However, the Bank's cost to income ratio of 32% shows the prudent and effective cost management mechanisms adopted by the management by maintaining the cost escalation in line with the revenue growth.

### **Tax Expenses**

VAT on financial services which is charged based on the value addition made by the financial services has direct relation to the growth in PBT and in line with the growth of 80% reported in operating profit, the VAT on financial services also increased to Rs.9.0 billion with the 65% YoY growth.

Although the income tax expense shown in the Income statements after the deferred tax adjustments for the year is Rs. 5.6 billion. However, the actual full income tax payment paid for the year 2021 will be Rs. 10.3 billion.

### **Financial Position –**

#### **Loans and Advances**

During the period the Bank's total assets grew by 27% and reached the Rs. 3.8 trillion level preserving its industry leadership. The key contributive factor is growth in loans and the investment book which denotes about 93% of the assets of the Bank. The Bank's gross loan book surpassed the Rs. 2.0 trillion mark during the year 2020 and now stands at Rs. 2.6 trillion reporting a 22% growth during the period under concern mainly backed by growth in overdrafts, term loans and personal loans. The lending to private sector grew by 9% during the year and the Bank continued to extend its support towards to regain the effected businesses. The Bank focused more on maintaining the quality of the loan portfolio and with a view to address non performing facilities getting to hardcore position, the Bank setup a Business Revival unit. The Bank Maintains adequate coverage for the expected losses and the provision reserve built so far covers the 6% of the total loan book for expected losses.

## **Deposit Base**

The Bank's deposit base during the year has increased to Rs. 2.9 trillion with a 16% YoY growth and 77% of the Deposit base comprises with local currency deposits. The Balance 21% which denotes foreign currency deposits stood at Rs. 613.2 billion as of end 2021. BoC is the market leader in foreign currency remittances and during this year the foreign currency deposit base grew by 10%. Current and Saving deposit (CASA) base which generates funds at low cost represents 36%.

## **Key Performance Indicators**

Return on Assets (ROA) ratio of the Bank stood at 1.3% while reporting a 21.0% Return on Equity ratio. Both these ratios improved from the previous year attributable to increase in profit.

The key regulatory ratio of the Banking industry; Capital Adequacy Ratio (CAR) was maintained well above the regulatory norms and the Bank always strives to maintain adequate buffers on all its regulatory norms to absorb unforeseen risk factors. The Tier I Capital and Total Capital ratio stood at 13.1% and 16.8% respectively as of end December 2021, both which were above the regulatory norms. Despite of cash flow deferrals in loan installments, the Bank was able to maintain better trade -off between the liquid assets and its liabilities. All liquid level monitoring ratios were maintained on safe zone.

## **Recognitions earned amidst challenges**

Though having to operate in the face of many headwinds the Bank of Ceylon continues to be recognized locally and internationally and is the highest ranked local bank and is among the Top 1000 Banks listed by the Banker Magazine UK for the year 2021. Beyond that, the Bank was adjudged as the Banker of the year in Sri Lanka by the renowned global scale magazine; "The Banker"

Bank of Ceylon also continued to be ranked as the most valuable Banking Brand for many consecutive years by the Brand Finance Lanka, increasing its Brand Value by 13% over the previous year. Locally also the Bank was recognized on the imminent stages for its untiring efforts to do the best; at CA Sri Lanka Annual Report Completion for the year 2020, BOC won the winner award for the State Sector, three awards were won at the CMA Excellence in Integrated Reporting Awards 2021 for Best Disclosures on Value Creation Model, Best Integrated Report – State owned Enterprises and one of the 10 Best Integrated Reports of 2020.

During the year Fitch Ratings (SL) has assigned the credit rating of AA- (lka) to Bank of Ceylon and reaffirmed the same in the month of July 2021. The rating assigned by the ICRA Lanka also reaffirmed at SL (AAA) with negative outlook.

**Continues to thrive with determined effort**

BoC network consists of 646 branches (including limited service branches) and 1,400 ATMs, CRMs and CDMs across the country. During the period our CRM network has expanded by 104 more machines facilitating the growing demand for digital channels.

As the adopting to the “new normalcy” is fixed at BoC by now the Bank will be focusing more on expanding the digital and virtual delivery services and will continue to provide all the banking services with more strength and efficiency. The Bank is optimistic and is looking for further economic revival and stability to come in future with the proactive measures adopted to overcome the obstacles caused by the pandemic and related pressures to the economy.

## STATEMENT OF PROFIT OR LOSS

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Rs. 000

31 December	Bank						Group					
	For the year ended			For the quarter ended			For the year ended			For the quarter ended		
	2021	2020	Change %	2021	2020	Change %	2021	2020	Change %	2021	2020	Change %
<b>Total income</b>	<b>290,362,494</b>	<b>247,163,965</b>	<b>17.5</b>	<b>79,032,417</b>	<b>65,345,995</b>	<b>20.9</b>	<b>297,620,853</b>	<b>252,756,030</b>	<b>17.8</b>	<b>81,322,750</b>	<b>66,725,027</b>	<b>21.9</b>
Interest income	260,513,393	226,310,574	15.1	71,109,749	59,010,280	20.5	266,565,137	231,454,401	15.2	72,711,540	60,225,175	20.7
Interest expenses	(149,261,452)	(151,534,708)	(1.5)	(41,537,378)	(36,569,496)	13.6	(151,575,510)	(154,251,160)	(1.7)	(42,076,490)	(36,912,418)	14.0
<b>Net interest income</b>	<b>111,251,941</b>	<b>74,775,866</b>	<b>48.8</b>	<b>29,572,371</b>	<b>22,440,784</b>	<b>31.8</b>	<b>114,989,627</b>	<b>77,203,241</b>	<b>48.9</b>	<b>30,635,050</b>	<b>23,312,757</b>	<b>31.4</b>
Fee and commission income	17,649,434	14,261,148	23.8	6,174,561	4,655,440	32.6	17,931,406	14,500,865	23.7	6,256,606	4,702,824	33.0
Fee and commission expenses	(3,470,032)	(2,302,057)	50.7	(1,213,298)	(695,718)	74.4	(3,508,619)	(2,324,128)	51.0	(1,189,051)	(702,517)	69.3
<b>Net fee and commission income</b>	<b>14,179,402</b>	<b>11,959,091</b>	<b>18.6</b>	<b>4,961,263</b>	<b>3,959,722</b>	<b>25.3</b>	<b>14,422,787</b>	<b>12,176,737</b>	<b>18.4</b>	<b>5,067,555</b>	<b>4,000,307</b>	<b>26.7</b>
Net gains / (losses) from trading	4,742,396	2,627,620	80.5	344,383	312,387	10.2	4,813,011	2,643,463	82.1	376,553	314,916	19.6
Net fair value gains / (losses) from financial instruments at fair value through profit or loss	1,347,097	928,234	45.1	728,014	720,380	1.1	1,309,021	991,525	32.0	682,988	724,522	(5.7)
Net gains/(losses) on derecognition of financial assets	393,920	482,684	(18.4)	175,382	158,003	11.0	466,392	492,996	(5.4)	247,650	168,058	47.4
Other operating income	5,716,254	2,553,705	123.8	500,328	489,505	2.2	6,535,886	2,672,780	144.5	1,047,413	589,532	77.7
	<b>12,199,667</b>	<b>6,592,243</b>	<b>85.1</b>	<b>1,748,107</b>	<b>1,680,275</b>	<b>4.0</b>	<b>13,124,310</b>	<b>6,800,764</b>	<b>93.0</b>	<b>2,354,604</b>	<b>1,797,028</b>	<b>31.0</b>
<b>Total operating income</b>	<b>137,631,010</b>	<b>93,327,200</b>	<b>47.5</b>	<b>36,281,741</b>	<b>28,080,781</b>	<b>29.2</b>	<b>142,536,724</b>	<b>96,180,742</b>	<b>48.2</b>	<b>38,057,209</b>	<b>29,110,092</b>	<b>30.7</b>
Impairment (charge) / reversal												
Loans and advances	(35,427,413)	(27,955,002)	26.7	(7,080,456)	(8,414,989)	(15.9)	(35,348,262)	(28,656,668)	23.4	(6,693,134)	(8,896,968)	(24.8)
Other financial assets	(8,306,318)	(3,277,176)	153.5	(6,635,820)	(2,168,628)	206.0	(8,313,703)	(3,293,646)	152.4	(6,658,151)	(2,263,734)	194.1
Other losses	-	-	-	-	-	-	-	(81,759)	(100.0)	-	-	-
<b>Net operating income</b>	<b>93,897,279</b>	<b>62,095,022</b>	<b>51.2</b>	<b>22,565,465</b>	<b>17,497,164</b>	<b>29.0</b>	<b>98,874,759</b>	<b>64,148,669</b>	<b>54.1</b>	<b>24,705,924</b>	<b>17,949,390</b>	<b>37.6</b>
<b>Operating expenses</b>												
Personnel expenses	(24,981,940)	(18,190,480)	37.3	(7,762,829)	(4,610,920)	68.4	(26,925,255)	(20,050,612)	34.3	(8,275,948)	(5,037,850)	64.3
Depreciation and amortisation	(4,146,256)	(4,254,528)	(2.5)	(1,080,479)	(1,054,356)	2.5	(4,239,633)	(4,391,152)	(3.5)	(1,100,500)	(1,121,947)	(1.9)
Other expenses	(12,552,393)	(10,639,665)	18.0	(4,152,115)	(3,351,999)	23.9	(13,866,816)	(12,080,058)	14.8	(4,792,845)	(3,495,659)	37.1
<b>Total operating expenses</b>	<b>(41,680,589)</b>	<b>(33,084,673)</b>	<b>26.0</b>	<b>(12,995,423)</b>	<b>(9,017,275)</b>	<b>44.1</b>	<b>(45,031,704)</b>	<b>(36,521,822)</b>	<b>23.3</b>	<b>(14,169,293)</b>	<b>(9,655,456)</b>	<b>46.7</b>
<b>Operating profit before taxes on financial services</b>	<b>52,216,690</b>	<b>29,010,349</b>	<b>80.0</b>	<b>9,570,042</b>	<b>8,479,889</b>	<b>12.9</b>	<b>53,843,055</b>	<b>27,626,847</b>	<b>94.9</b>	<b>10,536,631</b>	<b>8,293,934</b>	<b>27.0</b>
Value Added Tax (VAT) on financial services	(9,027,173)	(5,458,468)	65.4	(1,945,657)	(1,523,188)	27.7	(9,339,679)	(5,463,182)	71.0	(2,094,763)	(1,506,879)	39.0
<b>Operating profit after taxes on financial services</b>	<b>43,189,517</b>	<b>23,551,881</b>	<b>83.4</b>	<b>7,624,385</b>	<b>6,956,701</b>	<b>9.6</b>	<b>44,503,376</b>	<b>22,163,665</b>	<b>100.8</b>	<b>8,441,868</b>	<b>6,787,055</b>	<b>24.4</b>
Share of profits / (losses) of Associate companies, net of tax	-	-	-	-	-	-	133,677	82,488	62.1	32,325	56,880	(43.2)
<b>Profit before income tax</b>	<b>43,189,517</b>	<b>23,551,881</b>	<b>83.4</b>	<b>7,624,385</b>	<b>6,956,701</b>	<b>9.6</b>	<b>44,637,053</b>	<b>22,246,153</b>	<b>100.7</b>	<b>8,474,193</b>	<b>6,843,935</b>	<b>23.8</b>
Income tax expense	(5,599,410)	(5,786,749)	(3.2)	2,400,379	(867,119)	(376.8)	(5,953,659)	(5,938,747)	0.3	2,149,153	(892,404)	(340.8)
<b>Profit for the period</b>	<b>37,590,107</b>	<b>17,765,132</b>	<b>111.6</b>	<b>10,024,764</b>	<b>6,089,582</b>	<b>64.6</b>	<b>38,683,394</b>	<b>16,307,406</b>	<b>137.2</b>	<b>10,623,346</b>	<b>5,951,531</b>	<b>78.5</b>
<b>Profit attributable to:</b>												
Equity holder of the Bank	37,590,107	17,765,132	111.6	10,024,764	6,089,582	64.6	38,490,392	16,842,514	128.5	10,502,397	6,168,542	70.3
Non controlling interest	-	-	-	-	-	-	193,002	(535,108)	(136.1)	120,949	(217,011)	(155.7)
<b>Profit for the period</b>	<b>37,590,107</b>	<b>17,765,132</b>	<b>111.6</b>	<b>10,024,764</b>	<b>6,089,582</b>	<b>64.6</b>	<b>38,683,394</b>	<b>16,307,406</b>	<b>137.2</b>	<b>10,623,346</b>	<b>5,951,531</b>	<b>78.5</b>
<b>Earnings per share:</b>												
Basic earnings per share (Rs.)	1,503.60	710.61	111.6	400.99	243.58	64.6	1,539.62	673.70	128.5	420.10	246.74	70.3
Diluted earnings per share (Rs.)	1,503.60	710.61	111.6	400.99	243.58	64.6	1,539.62	673.70	128.5	420.10	246.74	70.3

## STATEMENT OF COMPREHENSIVE INCOME

2

Rs. 000

31 December	Bank						Group					
	For the year ended			For the quarter ended			For the year ended			For the quarter ended		
	2021	2020	Change %	2021	2020	Change %	2021	2020	Change %	2021	2020	Change %
<b>Profit for the period</b>	<b>37,590,107</b>	<b>17,765,132</b>	<b>111.6</b>	<b>10,024,764</b>	<b>6,089,582</b>	<b>64.6</b>	<b>38,683,394</b>	<b>16,307,406</b>	<b>137.2</b>	<b>10,623,346</b>	<b>5,951,531</b>	<b>78.5</b>
<b>Other comprehensive income for the period , net of tax</b>												
<b>Items that will be reclassified to profit or loss</b>												
Exchange differences on translation of foreign operations	794,531	11,571	6,766.6	12,655	46,189	(72.6)	1,126,180	233,259	382.8	36,039	267,052	(86.5)
Net gains / (losses) on cashflow hedge instruments	3,239,266	-	-	892,515	-	-	3,239,266	-	-	892,515	-	-
Net gains / (losses) on investments in debt instruments measured at FVTOCI	(1,246,474)	114,650	(1,187.2)	(312,052)	(72,929)	327.9	(1,256,480)	137,205	(1,015.8)	(316,410)	(55,420)	470.9
Net (gains) / losses on FVTOCI financial investments reclassification to profit or loss	(44,002)	(3,521)	1,149.7	(12,359)	3,616	(441.8)	(44,002)	(3,521)	1,149.7	(12,359)	3,616	(441.8)
Deferred tax effect on net gains / (losses) on investments in debt instruments measured at FVTOCI *	321,430	(19,946)	(1,711.5)	76,062	23,107	229.2	321,430	(19,946)	(1,711.5)	76,062	23,107	229.2
Share of other comprehensive income of Associate companies, net of tax	-	-	-	-	-	-	11,376	(19,439)	(158.5)	24,098	(8,267)	(391.5)
	<b>3,064,751</b>	<b>102,754</b>	<b>2,882.6</b>	<b>656,821</b>	<b>(17)</b>	<b>(3,863,753)</b>	<b>3,397,770</b>	<b>327,558</b>	<b>937.3</b>	<b>699,945</b>	<b>230,088</b>	<b>204.2</b>
<b>Items that will not be reclassified to profit or loss</b>												
Change in fair value on investments in equity instruments measured at FVTOCI	(187,320)	(271,739)	(31.1)	(238,442)	(103,542)	130.3	(155,320)	(805)	19,194.4	(204,310)	85,325	(339.4)
Deferred tax effect on change in fair value on investments in equity instruments measured at FVTOCI *	40,437	(91,689)	(144.1)	(5,625)	(36,233)	(84.5)	40,437	(91,689)	(144.1)	(5,625)	(36,233)	(84.5)
Re-measurement of post-employment benefit obligations	6,769,360	(9,530,481)	(171.0)	6,769,360	(9,530,481)	(171.0)	6,834,355	(9,582,774)	(171.3)	6,834,354	(9,580,331)	(171.3)
Deferred tax effect on post-employment benefit obligations *	(2,024,826)	3,007,330	(167.3)	(1,629,507)	3,007,330	(154.2)	(2,040,425)	3,020,118	(167.6)	(1,645,106)	3,019,531	(154.5)
Changes in revaluation surplus / (deficit)	(284,831)	6,932,984	(104.1)	(284,831)	6,932,984	(104.1)	345,441	7,774,192	(95.6)	345,441	7,774,192	(95.6)
Deferred tax effect on revaluation surplus / (deficit) *	979,181	(1,941,235)	(150.4)	68,359	(1,941,235)	(103.5)	1,144,315	(2,176,773)	(152.6)	(82,906)	(2,176,773)	(96.2)
	<b>5,292,001</b>	<b>(1,894,830)</b>	<b>(379.3)</b>	<b>4,679,314</b>	<b>(1,671,177)</b>	<b>(380.0)</b>	<b>6,168,803</b>	<b>(1,057,731)</b>	<b>(683.2)</b>	<b>5,241,848</b>	<b>(914,289)</b>	<b>(673.3)</b>
<b>Other comprehensive income for the period, net of tax</b>	<b>8,356,752</b>	<b>(1,792,076)</b>	<b>(566.3)</b>	<b>5,336,135</b>	<b>(1,671,194)</b>	<b>(419.3)</b>	<b>9,566,573</b>	<b>(730,173)</b>	<b>(1,410.2)</b>	<b>5,941,793</b>	<b>(684,201)</b>	<b>(968.4)</b>
<b>Total comprehensive income for the period</b>	<b>45,946,859</b>	<b>15,973,056</b>	<b>187.7</b>	<b>15,360,899</b>	<b>4,418,388</b>	<b>247.7</b>	<b>48,249,967</b>	<b>15,577,233</b>	<b>209.7</b>	<b>16,565,139</b>	<b>5,267,330</b>	<b>214.5</b>
<b>Attributable to:</b>												
Equity holder of the Bank	45,946,859	15,973,056	187.7	15,360,899	4,418,388	247.7	48,028,306	16,074,875	198.8	16,412,039	5,449,767	201.2
Non controlling interest	-	-	-	-	-	-	221,661	(497,642)	(144.5)	153,100	(182,437)	(183.9)
<b>Total comprehensive income for the period</b>	<b>45,946,859</b>	<b>15,973,056</b>	<b>187.7</b>	<b>15,360,899</b>	<b>4,418,388</b>	<b>247.7</b>	<b>48,249,967</b>	<b>15,577,233</b>	<b>209.7</b>	<b>16,565,139</b>	<b>5,267,330</b>	<b>214.5</b>

\* Includes deferred tax effect on revision of statutory income tax rate

As at	Bank			Group		
	31-Dec-2021	31-Dec-2020	Change %	31-Dec-2021	31-Dec-2020	Change %
<b>Assets</b>						
Cash and cash equivalents	82,647,406	84,416,624	(2.1)	82,313,908	83,198,445	(1.1)
Balances with Central Banks	74,121,781	33,351,852	122.2	74,121,781	33,351,852	122.2
Placements with banks	4,957,417	27,615,851	(82.0)	5,342,369	27,913,969	(80.9)
Securities purchased under resale agreements	2,074,474	2,001,047	3.7	2,976,664	3,822,312	(22.1)
Derivative financial instruments	4,342,531	548,926	691.1	4,342,531	548,926	691.1
Financial assets recognized through profit or loss measured at fair value	9,230,022	9,856,220	(6.4)	9,640,813	10,869,471	(11.3)
Financial assets at amortized cost						
- loans and advances	2,413,762,291	1,988,409,007	21.4	2,446,330,329	2,018,393,730	21.2
- debt and other instruments	1,082,179,876	724,390,172	49.4	1,082,837,662	725,579,585	49.2
Financial assets - measured at fair value through other comprehensive income	18,302,556	15,362,480	19.1	22,879,810	17,913,778	27.7
Investment in Subsidiary companies	8,181,138	6,513,048	25.6	-	-	-
Investment in Associate companies	92,988	92,988	-	595,531	510,084	16.8
Investment properties	2,414,640	2,534,118	(4.7)	107,704	114,370	(5.8)
Property, plant and equipment	32,757,485	33,366,003	(1.8)	46,944,191	47,418,620	(1.0)
Right of Use Asset / Leasehold properties	3,137,955	3,208,879	(2.2)	2,825,719	2,643,686	6.9
Intangible assets	1,039,985	1,020,881	1.9	1,214,591	1,228,597	(1.1)
Deferred tax assets	2,152,712	-	-	2,213,847	76,873	2,779.9
Other assets	61,888,586	50,292,999	23.1	63,262,306	51,189,477	23.6
<b>Total assets</b>	<b>3,803,283,843</b>	<b>2,982,981,095</b>	<b>27.5</b>	<b>3,847,949,756</b>	<b>3,024,773,775</b>	<b>27.2</b>
<b>Liabilities</b>						
Due to banks	17,936,070	2,402,043	646.7	18,646,339	2,628,434	609.4
Securities sold under repurchase agreements	162,156,413	57,106,652	184.0	161,668,335	57,697,780	180.2
Derivative financial instruments	380,328	102,182	272.2	380,328	102,182	272.2
Financial liabilities at amortized cost						
- due to depositors	2,866,894,010	2,474,775,488	15.8	2,886,237,094	2,493,110,291	15.8
- due to other borrowers	444,107,977	180,884,127	145.5	447,875,002	185,102,055	142.0
Debt securities issued	-	-	-	2,107,182	2,107,493	(0.0)
Current tax liabilities	647,993	591,723	9.5	978,532	775,259	26.2
Deferred tax liabilities	-	923,462	(100.0)	2,153,309	3,305,797	(34.9)
Insurance provision - Life	-	-	-	413,743	498,767	(17.0)
Insurance provision - Non life	-	-	-	526,017	488,784	7.6
Other liabilities	46,042,365	44,898,628	2.5	47,461,127	45,372,722	4.6
Subordinated liabilities	64,358,855	64,637,407	(0.4)	64,105,970	64,627,397	(0.8)
<b>Total liabilities</b>	<b>3,602,524,011</b>	<b>2,826,321,712</b>	<b>27.5</b>	<b>3,632,552,978</b>	<b>2,855,816,961</b>	<b>27.2</b>
<b>Equity</b>						
Share capital	25,000,000	25,000,000	-	25,000,000	25,000,000	-
Permanent reserve fund	14,491,000	13,739,000	5.5	14,491,000	13,739,000	5.5
OCI reserve	588,427	1,704,356	(65.5)	1,483,412	2,573,148	(42.4)
Cashflow hedge reserve	3,239,266	-	-	3,239,266	-	-
Retained earnings	136,739,177	96,983,948	41.0	138,104,222	97,463,266	41.7
Other reserves	20,701,962	19,232,079	7.6	31,489,432	28,913,613	8.9
<b>Total equity attributable to equity holder of the Bank</b>	<b>200,759,832</b>	<b>156,659,383</b>	<b>28.2</b>	<b>213,807,332</b>	<b>167,689,027</b>	<b>27.5</b>
Non controlling interest	-	-	-	1,589,446	1,267,787	25.4
<b>Total equity</b>	<b>200,759,832</b>	<b>156,659,383</b>	<b>28.2</b>	<b>215,396,778</b>	<b>168,956,814</b>	<b>27.5</b>
<b>Total liabilities and equity</b>	<b>3,803,283,843</b>	<b>2,982,981,095</b>	<b>27.5</b>	<b>3,847,949,756</b>	<b>3,024,773,775</b>	<b>27.2</b>
Contingent liabilities and commitments	879,356,475	600,210,687	46.5	897,771,496	619,669,887	44.9

## STATEMENT OF CHANGES IN EQUITY- BANK

4

Rs. 000

	Share capital	Permanent reserve fund	OCI reserve	Cashflow hedge reserve	Other reserves		Retained earnings	Total Equity
					Other reserves	Revaluation reserve		
<b>Balance as at 01 January 2020</b>	<b>25,000,000</b>	<b>13,383,000</b>	<b>1,976,601</b>	-	<b>2,539,318</b>	<b>11,694,338</b>	<b>87,689,480</b>	<b>142,282,737</b>
Total comprehensive income for the year								
Profit for the year	-	-	-	-	-	-	17,765,132	17,765,132
Other comprehensive income, net of tax	-	-	(272,245)	-	11,571	4,991,749	(6,523,151)	(1,792,076)
Dividends for the period	-	-	-	-	-	-	(1,596,410)	(1,596,410)
Revaluation surplus of disposed property	-	-	-	-	-	(4,897)	4,897	-
Transfers to permanent reserve fund	-	356,000	-	-	-	-	(356,000)	-
<b>Balance as at 31 December 2020</b>	<b>25,000,000</b>	<b>13,739,000</b>	<b>1,704,356</b>	-	<b>2,550,889</b>	<b>16,681,190</b>	<b>96,983,948</b>	<b>156,659,383</b>
<b>Balance as at 01 January 2021</b>	<b>25,000,000</b>	<b>13,739,000</b>	<b>1,704,356</b>	-	<b>2,550,889</b>	<b>16,681,190</b>	<b>96,983,948</b>	<b>156,659,383</b>
Total comprehensive income for the year								
Profit for the year	-	-	-	-	-	-	37,590,107	37,590,107
Other comprehensive income, net of tax	-	-	(1,115,929)	3,239,266	794,531	694,350	4,744,534	8,356,752
Dividends for the period	-	-	-	-	-	-	(1,846,410)	(1,846,410)
Revaluation surplus of disposed property	-	-	-	-	-	(18,998)	18,998	-
Transfers to permanent reserve fund	-	752,000	-	-	-	-	(752,000)	-
<b>Balance as at 31 December 2021</b>	<b>25,000,000</b>	<b>14,491,000</b>	<b>588,427</b>	<b>3,239,266</b>	<b>3,345,420</b>	<b>17,356,542</b>	<b>136,739,177</b>	<b>200,759,832</b>

## STATEMENT OF CHANGES IN EQUITY -GROUP

Rs. 000

	Share capital	Permanent reserve fund	OCI reserve	Cashflow hedge reserve	Other reserves		Retained earnings	Non controlling interest	Total Equity
					Other reserves	Revaluation reserve			
<b>Balance as at 01 January 2020</b>	<b>25,000,000</b>	<b>13,383,000</b>	<b>2,571,824</b>	-	<b>3,827,349</b>	<b>19,287,824</b>	<b>89,140,565</b>	<b>1,785,087</b>	<b>154,995,649</b>
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	-	16,842,514	(535,108)	16,307,406
Other comprehensive income, net of tax	-	-	1,324	-	233,259	5,570,078	(6,572,300)	37,466	(730,173)
Transfers to share capital	-	-	-	-	-	-	-	-	-
Dividends for the period	-	-	-	-	-	-	(1,596,410)	-	(1,596,410)
Subsidiary dividends to non controlling interest	-	-	-	-	-	-	-	(19,658)	(19,658)
Revaluation surplus of disposed property	-	-	-	-	-	(4,897)	4,897	-	-
Transfers to permanent reserve fund	-	356,000	-	-	-	-	(356,000)	-	-
<b>Balance as at 31 December 2020</b>	<b>25,000,000</b>	<b>13,739,000</b>	<b>2,573,148</b>	-	<b>4,060,608</b>	<b>24,853,005</b>	<b>97,463,266</b>	<b>1,267,787</b>	<b>168,956,814</b>
<b>Balance as at 01 January 2021</b>	<b>25,000,000</b>	<b>13,739,000</b>	<b>2,573,148</b>	-	<b>4,060,608</b>	<b>24,853,005</b>	<b>97,463,266</b>	<b>1,267,787</b>	<b>168,956,814</b>
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	-	38,490,392	193,002	38,683,394
Other comprehensive income, net of tax	-	-	(1,089,736)	3,239,266	1,126,180	1,468,637	4,793,566	28,660	9,566,573
Dividends for the period	-	-	-	-	-	-	(1,846,410)	-	(1,846,410)
Subsidiary dividends to non controlling interest	-	-	-	-	-	-	-	(10,280)	(10,280)
Disposal of subsidiaries	-	-	-	-	-	-	(64,923)	(6,142)	(71,065)
Revaluation surplus of disposed property	-	-	-	-	-	(18,998)	18,998	-	-
Transfers to permanent reserve fund	-	752,000	-	-	-	-	(752,000)	-	-
Change of non controlling interest	-	-	-	-	-	-	-	116,419	116,419
Reversal of unclaimed dividend	-	-	-	-	-	-	1,333	-	1,333
<b>Balance as at 31 December 2021</b>	<b>25,000,000</b>	<b>14,491,000</b>	<b>1,483,412</b>	<b>3,239,266</b>	<b>5,186,788</b>	<b>26,302,644</b>	<b>138,104,222</b>	<b>1,589,446</b>	<b>215,396,778</b>

## STATEMENT OF CASH FLOWS

5

Rs.'000

For the year ended 31 December	Bank		Group	
	2021	2020	2021	2020
<b>Cash flows from operating activities</b>				
Profit before income tax	43,189,517	23,551,881	44,637,053	22,246,153
<b>Adjustments for :</b>				
Net interest income	(111,251,941)	(74,775,866)	(114,989,627)	(77,203,241)
Dividend income	(302,564)	(403,351)	(391,238)	(404,776)
Dividends from Subsidiaries and Associates	(394,454)	(434,475)	-	-
Share of profits of Associate companies, net of tax	-	-	(133,677)	(82,488)
Change in operating assets	(495,708,863)	(412,923,813)	(497,289,131)	(408,051,752)
Change in operating liabilities	535,220,053	496,722,445	535,832,127	497,455,395
Other non cash items included in profit before tax	46,469,284	39,963,871	46,637,840	40,978,788
Other net gains from investing activities	(1,741,017)	(1,410,918)	(1,775,413)	(1,484,521)
	<b>15,480,015</b>	<b>70,289,774</b>	<b>12,527,934</b>	<b>73,453,558</b>
Contribution paid from defined benefit plans	(8,890,151)	(8,590,729)	(8,897,006)	(8,625,429)
Interest received	193,501,226	168,040,640	199,239,746	172,733,898
Interest paid	(136,973,421)	(128,555,512)	(138,568,991)	(130,549,871)
Dividends received	75,792	73,023	126,157	73,245
<b>Net cash from operating activities before income tax</b>	<b>63,193,461</b>	<b>101,257,196</b>	<b>64,427,840</b>	<b>107,085,401</b>
Income tax paid	(8,166,811)	(5,158,415)	(8,399,520)	(5,361,254)
<b>Net cash from operating activities</b>	<b>55,026,650</b>	<b>96,098,781</b>	<b>56,028,320</b>	<b>101,724,147</b>
<b>Cash flows from investing activities</b>				
Net increase in financial investments at amortized cost	(345,016,186)	(145,229,377)	(344,484,560)	(145,189,269)
Net increase in financial investments recognized at fair value through OCI	(4,346,097)	(935,063)	(6,339,860)	(412,408)
Investment in subsidiary companies	(1,668,090)	-	-	-
Proceeds from sale of subsidiary companies	-	-	180,550	-
Addition to investment properties	-	(3,007)	-	-
Purchase of property plant and equipment and leasehold properties	(1,771,223)	(2,946,477)	(1,844,896)	(3,059,995)
Purchase of intangible assets	(471,365)	(367,195)	(471,365)	(401,078)
Proceeds from sale of property plant and equipment	21,998	37,635	48,086	50,688
Dividends received	621,226	764,802	265,081	331,531
Interest received	53,951,314	44,988,953	54,264,536	45,439,524
<b>Net cash used in investing activities</b>	<b>(298,678,423)</b>	<b>(103,689,729)</b>	<b>(298,382,428)</b>	<b>(103,241,007)</b>
<b>Cash flows from financing activities</b>				
Net increase in other borrowings	245,235,448	28,159,729	245,076,637	21,685,842
Proceeds from issue of shares	-	-	233,902	-
Proceeds from issue of debentures/ capital bonds	8,750,000	15,000,000	8,500,000	15,000,000
Payments on redemption of debentures	(10,086,734)	(4,779,196)	(10,076,724)	(4,779,196)
Dividends paid to Equity holder of the Bank	(1,846,410)	(1,596,410)	(1,846,410)	(1,596,410)
Dividends paid to non controlling interest	-	-	(10,280)	(19,658)
Interest payments on borrowings and debt securities	(15,589,508)	(8,738,923)	(16,311,191)	(9,461,333)
<b>Net cash from financing activities</b>	<b>226,462,796</b>	<b>28,045,200</b>	<b>225,565,934</b>	<b>20,829,245</b>
Net increase/ (decrease) in cash and cash equivalents during the year	(17,188,977)	20,454,252	(16,788,174)	19,312,385
Cash and cash equivalents at the beginning of the year	83,978,210	63,523,958	82,533,640	63,221,255
<b>Cash and cash equivalents at the end of the year</b>	<b>66,789,233</b>	<b>83,978,210</b>	<b>65,745,466</b>	<b>82,533,640</b>
<b>Analysis of cash and cash equivalents</b>				
Cash and cash equivalents	82,647,406	84,416,624	82,313,908	83,198,445
Bank overdrafts	(15,858,173)	(438,414)	(16,568,442)	(664,805)
<b>Cash and cash equivalents at the end of the year</b>	<b>66,789,233</b>	<b>83,978,210</b>	<b>65,745,466</b>	<b>82,533,640</b>

**SELECTED PERFORMANCE INDICATORS**

6

As at	Bank		Group	
	31-Dec-2021	31-Dec-2020	31-Dec-2021	31-Dec-2020
Net assets value per share (Rs)	8,030.39	6,266.38	8,552.29	6,707.56
<b>Profitability</b>				
Interest margin	3.28%	2.77%	3.35%	2.81%
Return on assets (before tax)	1.27%	0.87%	1.30%	0.81%
Return on equity (after tax)	21.03%	11.89%	20.13%	10.07%
<b>Assets Quality</b>				
Gross non - performing advances ratio, (Net of interest in suspense)	4.47%	4.76%		
Net non - performing advances ratio, (Net of interest in suspense and provisions)	0.41%	1.36%		
Impaired Loans (Stage 3) Ratio	5.08%	4.93%		
Impairment (Stage 3) to Stage 3 Loans Ratio	49.07%	50.10%		
<b>Investor Information</b>				
Debt equity (%)	51.01	35.37		
Interest cover (times)	2.85	2.54		
<b>Memorandum Information</b>				
Number of employees	8,337	8,479		
Number of branches	581	582		

**KEY REGULATORY RATIOS - CAPITAL AND LIQUIDITY**

As at	Bank		Group	
	31-Dec-2021	31-Dec-2020	31-Dec-2021	31-Dec-2020
<b>Regulatory Capital (Rs. ' 000)</b>				
Common equity Tier 1	159,522,227	134,161,498	166,617,827	139,751,189
Total Tier I capital	177,872,227	149,161,498	184,967,827	154,751,189
Total capital	227,393,271	197,801,911	235,543,595	204,636,436
<b>Regulatory Capital Ratios (%)</b>				
Common equity Tier 1 capital ratio (Minimum requirement, Basel III - 7.50% )	11.78%	10.09%	11.82%	10.19%
Total Tier I capital ratio (Minimum requirement, Basel III - 9.00%)	13.14%	11.22%	13.12%	11.28%
Total capital ratio (Minimum requirement, Basel III - 13.00%)	16.79%	14.88%	16.71%	14.92%
Leverage ratio ( Minimum requirement - 3% )	4.28%	4.42%	4.39%	4.61%
<b>Regulatory Liquidity</b>				
Statutory liquid assets, - Domestic banking unit (Rs. ' 000)	715,407,611	625,559,328		
- Off-shore banking unit (US\$ 000)	701,065	855,315		
Statutory liquid assets ratio, (minimum requirement, 20%) - Domestic banking unit	24.97%	26.57%		
- Off-shore banking unit	25.34%	29.48%		
Total Stock of High Quality Liquid Assets	758,416,145	526,041,060		
Liquidity coverage ratio - Rupee (Minimum requirement, 100%, 2020 : 90%)	233.00%	190.00%		
Liquidity coverage ratio - All currency (Minimum requirement, 100%, 2020 : 90%)	132.35%	136.97%		
Net stable funding ratio (Minimum requirement, 100%, 2020 : 90%)	125.00%	131.00%		

**SHARE INFORMATION**

Shareholder	31-Dec-2021		31-Dec-2020	
	No. of Ordinary Shares	Holding %	No. of Ordinary Shares	Holding %
Government of Sri Lanka	25,000,000	100	25,000,000	100

- I. The interim Financial Statements are presented in accordance with Sri Lanka Accounting Standard - LKAS 34 on “Interim Financial Reporting”. These condensed interim Financial Statements should be read in conjunction with the annual financial statements for the year ended 31 December 2020. In order to conform to better presentation, previous year figures and phrases have been adjusted where relevant.
- II. There are no changes in accounting policies and methods of computation since the publication of annual accounts for the year 2020.
- III. During the period, there were no material changes in the composition of assets, liabilities and contingent liabilities in the Bank.
- IV. All known expenses have been charged in these financial statements.
- V. The outbreak and spread of the coronavirus globally since January 2020 has caused disruption to business and economic activities, and uncertainty to the global economy. Consequent to the diagnosis of COVID-19 virus within Sri Lanka many measures were introduced by the Sri Lankan Government and the Central Bank of Sri Lanka with a view to easing the pressure due to safety measures taken to face the pandemic situation. COVID -19 pandemic has had a significant impact on business operations of the Bank due to changes that took place in normal business practices. However, the Bank proactively adjusted to the situation very quickly and took all necessary steps to provide the customer services in best possible manner in this pandemic situation.

The Bank continuously to support the measures taken to revive the economy and the safety of the customers and the staff is considered as being of paramount importance in conducting all operational activities.
- VI. In terms of the Inland Revenue Amendment Act No. 10 of 2021, the Group applied the revised tax rate of 24% to calculate the income tax and deferred tax as of 31 December 2021. Since this amendment was not considered to be substantively enacted for the year ended 31 December 2020 as per LKAS 12, the income tax and deferred tax for the year 2020 is disclosed at the tax rate of 28% and the difference between tax rates from 28% to 24% is included in the adjustments in respect of prior years..
- VII. The Bank has entered in to ten USD/LKR funding SWAPs amounting to USD 90 million during the year 2021 as against the borrowings of USD 90 million. These SWAP transactions have been recorded in these financial statements under hedge accounting as per the SLFRS 09: Financial Instruments.
- VIII. No circumstances have arisen and no material events have occurred since the reporting date, which require disclosures or adjustments to the financial statements other than the item disclosed below.

### **Surcharge Tax**

The Government of Sri Lanka in its Budget for 2022 proposed a one-time tax, referred to as surcharge tax. The Bill governing the imposition and administration of the surcharge tax was published in the Gazette on 07 February 2022. According to the Bill, the surcharge tax will be calculated at the rate of 25% on taxable income for the year of assessment 2020/2021, if the aggregate taxable income of all subsidiaries and holding company for the year exceeds LKR 2,000 million and shall be deemed to be an expenditure in the Financial Statements relating to the year of assessment 2020/2021. As the proposed tax has not been substantively enacted by the end of the reporting period, the Financial Statements have not been adjusted to reflect the consequences of this proposal.

- IX During the first quarter 2021 Property Development PLC has disposed its fully owned subsidiary of Koladeniya Hydropower (Private) Limited. Merchant Bank of Sri Lanka & Finance PLC has issued Rs. 2.2 billion worth of new ordinary shares during the month of September 2021 under a right issue. Bank of Ceylon (BOC) and its fully owned subsidiary BOC Property Development & Management (Private) Limited invested in this share issue and the BOC's shareholding increased to 84.5%.

The Group financial statements comprise a consolidation of the Bank and its Subsidiaries, Property Development PLC, Merchant Bank of Sri Lanka & Finance PLC, Hotels Colombo (1963) Limited, BOC Property Development & Management (Private) Limited, BOC Travels (Private) Limited, Ceybank Holiday Homes (Private) Limited, BOC Management & Support Services (Private) Limited, MBSL Insurance Company Limited, and Bank of Ceylon (UK) Limited and the Group's interest in its Associate companies, Lanka Securities (Private) Limited, Southern Development Financial Company Limited, Transnational Lanka Records Solutions (Private) Limited and Ceybank Asset Management Limited.

We certify that the above financial statements give a true and fair view of the state of affairs of Bank of Ceylon and the Group as at 31 December 2021 and its profit for the year ended 31 December 2021.

Sgd.  
W P Russel Fonseka  
**Chief Financial Officer**

We, the undersigned, being the Directors and General Manager of the Bank of Ceylon certify jointly that;

- a) the above statements have been prepared in compliance with the formats and definitions prescribed by the Central Bank of Sri Lanka and Rule 7.4 of Colombo Stock Exchange and Sri Lanka Accounting Standard – LKAS 34 on “Interim Financial Reporting”.
- b) the information contained in these statements have been extracted from the audited financial statements of the Bank and the Group.

Sgd.  
Kanchana Ratwatte  
**Chairman**  
**(Independent Non-Executive)**

Sgd.  
A C M Fernando  
**Director**  
**(Independent Non-Executive)**

Sgd.  
K E D Sumanasiri  
**General Manager**

*24 February 2022*  
*Colombo*

As at 31 December	2021				
	Fair value through profit or loss	Amortised cost	Fair value through OCI	Others	Total
<b>Financial assets</b>					
Cash and cash equivalents	-	82,647,406	-	-	82,647,406
Balances with Central Banks	-	74,121,781	-	-	74,121,781
Placements with banks	-	4,957,417	-	-	4,957,417
Securities purchased under resale agreements	-	2,074,474	-	-	2,074,474
Derivative financial instruments	4,342,531	-	-	-	4,342,531
Loans and advances	-	2,413,762,291	-	-	2,413,762,291
Financial investments	9,230,022	1,082,179,876	18,302,556	-	1,109,712,454
<b>Total financial assets</b>	<b>13,572,553</b>	<b>3,659,743,245</b>	<b>18,302,556</b>	<b>-</b>	<b>3,691,618,354</b>
Other assets				111,665,489	111,665,489
<b>Total assets</b>	<b>13,572,553</b>	<b>3,659,743,245</b>	<b>18,302,556</b>	<b>111,665,489</b>	<b>3,803,283,843</b>

	Fair value through profit or loss	Amortised Cost	Others	Total
<b>Financial liabilities</b>				
Due to banks	-	17,936,070	-	17,936,070
Securities sold under repurchase agreements	-	162,156,413	-	162,156,413
Derivative financial instruments	380,328	-	-	380,328
Other financial liabilities held for trading	-	-	-	-
Due to depositors	-	2,866,894,010	-	2,866,894,010
Other borrowings	-	444,107,977	-	444,107,977
Debt securities issued	-	-	-	-
Subordinated liabilities	-	64,358,855	-	64,358,855
<b>Total financial liabilities</b>	<b>380,328</b>	<b>3,555,453,325</b>	<b>-</b>	<b>3,555,833,653</b>
Other liabilities	-	-	46,690,358	46,690,358
<b>Total liabilities</b>	<b>380,328</b>	<b>3,555,453,325</b>	<b>46,690,358</b>	<b>3,602,524,011</b>

As at 31 December	2020				
	Fair value through profit or loss	Amortised cost	Fair value through OCI	Others	Total
<b>Financial assets</b>					
Cash and cash equivalents	-	84,416,624	-	-	84,416,624
Balances with Central Banks	-	33,351,852	-	-	33,351,852
Placements with banks	-	27,615,851	-	-	27,615,851
Securities purchased under resale agreements	-	2,001,047	-	-	2,001,047
Derivative financial instruments	548,926	-	-	-	548,926
Loans and advances	-	1,988,409,007	-	-	1,988,409,007
Financial investments	9,856,220	724,390,172	15,362,480	-	749,608,872
<b>Total financial assets</b>	<b>10,405,146</b>	<b>2,860,184,553</b>	<b>15,362,480</b>	<b>-</b>	<b>2,885,952,179</b>
Other assets	-	-	-	97,028,916	97,028,916
<b>Total assets</b>	<b>10,405,146</b>	<b>2,860,184,553</b>	<b>15,362,480</b>	<b>97,028,916</b>	<b>2,982,981,095</b>

	Fair value through profit or loss	Amortised Cost	Others	Total
<b>Financial liabilities</b>				
Due to banks	-	2,402,043	-	2,402,043
Securities sold under repurchase agreements	-	57,106,652	-	57,106,652
Derivative financial instruments	102,182	-	-	102,182
Due to depositors	-	2,474,775,488	-	2,474,775,488
Other borrowings	-	180,884,127	-	180,884,127
Debt securities issued	-	-	-	-
Subordinated liabilities	-	64,637,407	-	64,637,407
<b>Total financial liabilities</b>	<b>102,182</b>	<b>2,779,805,717</b>	<b>-</b>	<b>2,779,907,899</b>
Other liabilities	-	-	46,413,813	46,413,813
<b>Total liabilities</b>	<b>102,182</b>	<b>2,779,805,717</b>	<b>46,413,813</b>	<b>2,826,321,712</b>

As at 31 December	2021				
	Fair value through profit or loss	Amortised cost	Fair value through OCI	Others	Total
<b>Financial assets</b>					
Cash and cash equivalents	-	82,313,908	-	-	82,313,908
Balances with Central Banks	-	74,121,781	-	-	74,121,781
Placements with banks	-	5,342,369	-	-	5,342,369
Securities purchased under resale agreements	-	2,976,664	-	-	2,976,664
Derivative financial instruments	4,342,531	-	-	-	4,342,531
Loans and advances	-	2,446,330,329	-	-	2,446,330,329
Financial investments	9,640,813	1,082,837,662	22,879,810	-	1,115,358,285
<b>Total financial assets</b>	<b>13,983,344</b>	<b>3,693,922,713</b>	<b>22,879,810</b>	<b>-</b>	<b>3,730,785,867</b>
Other assets	-	-	-	117,163,889	117,163,889
<b>Total assets</b>	<b>13,983,344</b>	<b>3,693,922,713</b>	<b>22,879,810</b>	<b>117,163,889</b>	<b>3,847,949,756</b>

	Fair value through profit or loss	Amortised cost	Others	Total
<b>Financial liabilities</b>				
Due to banks	-	18,646,339	-	18,646,339
Securities sold under repurchase agreements	-	161,668,335	-	161,668,335
Derivative financial instruments	380,328	-	-	380,328
Other financial liabilities held for trading	-	-	-	-
Due to depositors	-	2,886,237,094	-	2,886,237,094
Other borrowings	-	447,875,002	-	447,875,002
Debt securities issued	-	2,107,182	-	2,107,182
Subordinated liabilities	-	64,105,970	-	64,105,970
<b>Total financial liabilities</b>	<b>380,328</b>	<b>3,580,639,922</b>	<b>-</b>	<b>3,581,020,250</b>
Other liabilities	-	-	51,532,728	51,532,728
<b>Total liabilities</b>	<b>380,328</b>	<b>3,580,639,922</b>	<b>51,532,728</b>	<b>3,632,552,978</b>

As at 31 December	2020				
	Fair value through profit or loss	Amortised cost	Fair value through OCI	Others	Total
<b>Financial assets</b>					
Cash and cash equivalents	-	83,198,445	-	-	83,198,445
Balances with Central Banks	-	33,351,852	-	-	33,351,852
Placements with banks	-	27,913,969	-	-	27,913,969
Securities purchased under resale agreements	-	3,822,312	-	-	3,822,312
Derivative financial instruments	548,926	-	-	-	548,926
Loans and advances to customers	-	2,018,393,730	-	-	2,018,393,730
Financial investments	10,869,471	725,579,585	17,913,778	-	754,362,834
<b>Total financial assets</b>	<b>11,418,397</b>	<b>2,892,259,893</b>	<b>17,913,778</b>	<b>-</b>	<b>2,921,592,068</b>
Other assets	-	-	-	103,181,707	103,181,707
<b>Total assets</b>	<b>11,418,397</b>	<b>2,892,259,893</b>	<b>17,913,778</b>	<b>103,181,707</b>	<b>3,024,773,775</b>

	Fair value through profit or loss	Amortised cost	Others	Total
<b>Financial liabilities</b>				
Due to banks	-	2,628,434	-	2,628,434
Securities sold under repurchase agreements	-	57,697,780	-	57,697,780
Derivative financial instruments	102,182	-	-	102,182
Due to depositors	-	2,493,110,291	-	2,493,110,291
Other borrowings	-	185,102,055	-	185,102,055
Debt securities issued	-	2,107,493	-	2,107,493
Subordinated liabilities	-	64,627,397	-	64,627,397
<b>Total financial liabilities</b>	<b>102,182</b>	<b>2,805,273,450</b>	<b>-</b>	<b>2,805,375,632</b>
Other liabilities	-	-	50,441,329	50,441,329
<b>Total liabilities</b>	<b>102,182</b>	<b>2,805,273,450</b>	<b>50,441,329</b>	<b>2,855,816,961</b>

Description	Interest payable frequency	Issue date	Maturity date	Coupon rate		Interest Rate of comparable Government security	Amount			
				31.12.2021	31.12.2020		Bank		Group	
				%	%		31.12.2021	31.12.2020	31.12.2021	31.12.2020
						Rs '000	Rs '000	Rs '000	Rs '000	
<b>Sri Lanka rupee debentures</b>										
<b>Fixed interest rate</b>										
Listed, Unsecured, subordinated, redeemable debentures	Annually	25.10.2013	24.10.2021	-	13.25	-	-	1,226,594	-	1,226,594
Listed, Unsecured, subordinated, redeemable debentures	Annually	25.10.2013	24.10.2022	13.25	13.25	8.10	1,227,205	1,227,617	1,227,205	1,227,617
Listed, Unsecured, subordinated, redeemable debentures	Annually	25.10.2013	24.10.2023	13.75	13.75	8.64	1,637,573	1,638,142	1,637,573	1,638,142
Listed, Unsecured, subordinated, redeemable debentures	Annually	22.09.2014	21.09.2022	8.25	8.25	8.02	1,873,393	1,873,793	1,873,393	1,873,793
Listed, Unsecured, subordinated, redeemable debentures	Annually	06.10.2015	05.10.2023	9.50	9.50	8.54	1,205,286	1,205,580	1,205,286	1,205,580
Listed, Unsecured, subordinated, redeemable debentures	Annually	29.12.2016	28.12.2021	-	13.25	-	-	8,003,631	-	7,993,621
Listed, Unsecured, subordinated, redeemable debentures	Annually	29.12.2016	28.12.2024	12.75	12.75	9.26	784	784	784	784
Unlisted, Unsecured, subordinated, redeemable debentures	Annually	29.12.2017	28.12.2022	12.50	12.50	8.22	5,003,321	5,004,843	5,003,321	5,004,843
Unlisted, Unsecured, subordinated, redeemable debentures	Annually	29.12.2017	28.12.2025	12.75	12.75	10.35	5,003,300	5,004,934	5,003,300	5,004,934
Unlisted, Unsecured, subordinated, redeemable debentures	Annually	31.07.2018	30.07.2026	12.00	12.00	10.95	7,026,897	7,028,208	7,026,897	7,028,208
Unlisted, Unsecured, subordinated, redeemable debentures	Annually	03.12.2018	02.12.2023	12.00	12.00	8.75	5,347,308	5,347,957	5,347,308	5,347,957
Unlisted, Unsecured, subordinated, redeemable debentures	Annually	27.06.2019	26.06.2024	11.75	11.75	9.00	3,176,646	3,176,666	3,176,646	3,176,666
Unlisted, Unsecured, subordinated, redeemable debentures	Annually	17.07.2019	16.07.2024	11.80	11.80	9.03	1,104,096	1,104,102	1,104,096	1,104,102
Unlisted, Unsecured, subordinated, redeemable debentures	Annually	18.07.2019	17.07.2024	11.80	11.80	9.03	2,315,172	2,315,186	2,315,172	2,315,186
Unlisted, Unsecured, subordinated, redeemable debentures	Annually	23.07.2019	22.07.2024	11.80	11.80	9.03	2,626,523	2,626,817	2,626,523	2,626,817
Unlisted, Unsecured, subordinated, redeemable debentures	Annually	24.07.2019	23.07.2024	11.50	11.50	9.03	419,672	419,674	419,672	419,674
Unlisted, Unsecured, subordinated, redeemable debentures	Annually	26.07.2019	25.07.2027	11.75	11.75	10.95	64,176	64,181	64,176	64,181
Listed, Unsecured, redeemable, debentures	Annually	12.05.2017	03.05.2022	15.00	15.00	8.22	-	-	884,668	884,981
Listed, Unsecured, redeemable, debentures	Semi annually	12.05.2017	03.05.2022	14.50	14.50	8.22	-	-	1,220,258	1,220,257
Listed, Unsecured, redeemable, debentures	Semi annually	12.05.2017	03.05.2022	13.90	13.90	8.22	-	-	2,256	2,255
							<b>38,031,352</b>	<b>47,268,709</b>	<b>40,138,534</b>	<b>49,366,192</b>
<b>Floating interest rate</b>										
Listed, Unsecured, subordinated, redeemable debentures (6 months TB ( Gross ) rate plus 100 basis points)	Semi annually	25.10.2013	24.10.2021	-	4.87	-	-	1,009	-	1,009
Listed, Unsecured, subordinated, redeemable debentures (6 months TB ( Gross ) rate plus 50 basis points)	Semi annually	22.09.2014	21.09.2022	6.45	5.14	8.02	31	30	31	30
Listed, Unsecured, subordinated, redeemable debentures (6 months TB ( Gross ) rate plus 125 basis points)	Semi annually	06.10.2015	05.10.2023	6.35	5.89	8.54	2,070,535	2,068,443	2,070,535	2,068,443
Listed, Unsecured, subordinated, redeemable debentures (6 months TB ( Gross ) rate plus 125 basis points)	Semi annually	29.12.2016	28.12.2021	-	6.03	-	-	1,020	-	1,020
Listed, Unsecured, subordinated, redeemable debentures (6 months TB ( Gross ) rate plus 125 basis points)	Semi annually	29.12.2016	28.12.2024	9.35	6.03	9.26	20	20	20	20
Unlisted, Unsecured, subordinated, redeemable debentures (6 months TB ( Gross ) rate plus 250 basis points with a floor rate of 9.0%)	Semi annually	22.11.2021	22.11.2026	10.53	-	10.76	5,459,537	-	5,459,537	-
							<b>7,530,123</b>	<b>2,070,522</b>	<b>7,530,123</b>	<b>2,070,522</b>
<b>Additional Tier I capital bond</b>										
Unlisted, Unsecured, subordinated, perpetual capital bond (12 months TB (Net) rate plus 150 basis points with a Floor rate of 9.5%)	Annually	06.07.2020	N/A	9.50	9.50	-	5,226,898	5,226,897	5,226,898	5,226,897
Unlisted, Unsecured, subordinated, perpetual capital bond (Weighted average 12 months TB (Net) rate plus 150 basis points with a Floor rate of 9.0%)	Annually	01.12.2020	N/A	9.00	9.00	-	10,076,290	10,071,279	10,076,290	10,071,279
Unlisted, Unsecured, subordinated, perpetual capital bond (Weighted average 12 months TB (Net) rate plus 150 basis points with a Floor rate of 9%)	Annually	06.07.2021	N/A	9.00	-	-	3,494,192	-	3,241,307	-
							<b>18,797,380</b>	<b>15,298,176</b>	<b>18,544,495</b>	<b>15,298,176</b>
							<b>64,358,855</b>	<b>64,637,407</b>	<b>66,213,152</b>	<b>66,734,890</b>

**Notes**

a) Debentures that are listed in the Colombo Stock Exchange.

b) Weighted average 6 months Treasury Bill interest rate before deducting relevant tax at the primary quotations as announced by the Central Bank of Sri Lanka, at the preceding week of the interest resetting date.

	<b>01-Jan-2021 to 31-Dec-2021 Rs.</b>	<b>01-Jan-2020 to 31-Dec-2020 Rs.</b>
<b>Market Value</b>		
<b>BoC Debentures 2013/2023 ,</b>		
Unsecured, subordinated, redeemable, 8 years, fixed rate (13.25%)		
Highest	Not Traded	100.00
Lowest	Not Traded	100.00
Last transaction	Not Traded	100.00
Unsecured, subordinated, redeemable, 8 years, floating rate (06 months TB rate (Gross) plus 100 basis points )	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 9 years, fixed rate (13.25%)	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 10 years, fixed rate (13.75%)	Not Traded	Not Traded
<b>BoC Debentures 2014/2022 ,</b>		
Unsecured, subordinated, redeemable, 8 years, fixed rate (8.25%)	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 8 years, floating rate (06 months TB rate (Gross) plus 50 basis points )	Not Traded	Not Traded
<b>BoC Debentures 2015/2023</b>		
Unsecured, subordinated, redeemable, 8 years, fixed rate (9.50%)	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 8 years, floating rate (06 months TB rate (Gross) plus 125 basis points )	Not Traded	Not Traded
<b>BoC Debentures 2016/2024</b>		
Unsecured, subordinated, redeemable, 5 years, fixed rate (13.25%)		
Highest	Not Traded	101.00
Lowest	Not Traded	101.00
Last transaction	Not Traded	101.00
Unsecured, subordinated, redeemable, 5 years, floating rate (06 months TB rate (Gross) plus 125 basis points )		
Highest	Not Traded	98.00
Lowest	Not Traded	98.00
Last transaction	Not Traded	98.00
Unsecured, subordinated, redeemable, 8 years, fixed rate (12.75%)	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 8 years, floating rate (06 months TB rate (Gross) plus 125 basis points )	Not Traded	Not Traded

	31-Dec-2021 %	31-Dec-2020 %
<b>Interest yield as at date of last trade done</b>		
<b>BoC Debentures 2013/2023 ,</b>		
8 years, fixed rate (13.25%)	Not Traded	13.24
8 years, floating rate (06 months TB rate (Gross) plus 100 basis points )	Not Traded	Not Traded
9 years, fixed rate (13.25%)	Not Traded	Not Traded
10 years, fixed rate (13.75%)	Not Traded	Not Traded
<b>BoC Debentures 2014/2022 ,</b>		
8 years, fixed rate (8.25%)	Not Traded	Not Traded
8 years, floating rate (06 months TB rate (Gross) plus 50 basis points )	Not Traded	Not Traded
<b>BoC Debentures 2015/2023 ,</b>		
8 years, fixed rate (9.50%)	Not Traded	Not Traded
8 years, floating rate (06 months TB rate (Gross) plus 125 basis points )	Not Traded	Not Traded
<b>BoC Debentures 2016/2024 ,</b>		
5 years, fixed rate (13.25%)	Not Traded	12.60
5 years, floating rate (06 months TB rate (Gross) plus 125 basis points )	Not Traded	11.99
8 years, fixed rate (12.75%)	Not Traded	Not Traded
8 years, floating rate (06 months TB rate (Gross) plus 125 basis points )	Not Traded	Not Traded
<b>Yield to maturity of last trade done</b>		
<b>BoC Debentures 2013/2023 ,</b>		
8 years, fixed rate (13.25%)	Not Traded	13.25
8 years, floating rate (06 months TB rate (Gross) plus 100 basis points )	Not Traded	Not Traded
9 years, fixed rate (13.25%)	Not Traded	Not Traded
10 years, fixed rate (13.75%)	Not Traded	Not Traded
<b>BoC Debentures 2014/2022 ,</b>		
8 years, fixed rate (8.25%)	Not Traded	Not Traded
8 years, floating rate (06 months TB rate (Gross) plus 50 basis points )	Not Traded	Not Traded
<b>BoC Debentures 2015/2023 ,</b>		
8 years, fixed rate (9.50%)	Not Traded	Not Traded
8 years, floating rate (06 months TB rate (Gross) plus 125 basis points )	Not Traded	Not Traded
<b>BoC Debentures 2016/2024 ,</b>		
5 years, fixed rate (13.25%)	Not Traded	12.67
5 years, floating rate (06 months TB rate (Gross) plus 125 basis points )	Not Traded	11.92
8 years, fixed rate (12.75%)	Not Traded	Not Traded
8 years, floating rate (06 months TB rate (Gross) plus 125 basis points )	Not Traded	Not Traded

1 Loans and advances to customers

As at	Bank		Group	
	31.12.2021 Rs '000	31.12.2020 Rs '000	31.12.2021 Rs '000	31.12.2020 Rs '000
Gross loans and receivables	2,576,668,173	2,115,204,744	2,612,567,332	2,148,747,485
Stage 1	2,170,496,529	1,786,211,706	2,186,408,859	1,801,797,522
Stage 2	155,013,917	121,469,096	159,836,766	126,232,816
Stage 3	251,157,727	207,523,942	266,321,707	220,717,147
Less : Accumulated impairment	162,905,882	126,795,737	166,237,003	130,353,755
Stage 1	24,417,936	11,640,862	24,541,662	11,846,679
Stage 2	15,122,165	11,447,964	15,247,177	11,678,868
Stage 3	123,365,781	103,706,911	126,448,164	106,828,208
<b>Net loans and advances</b>	<b>2,413,762,291</b>	<b>1,988,409,007</b>	<b>2,446,330,329</b>	<b>2,018,393,730</b>

2) Loans and advances to customers - By product

Local currency	Bank		Group	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Overdrafts	552,351,927	309,022,965	552,155,012	308,799,265
Term loans	683,740,104	650,337,989	688,030,779	652,349,424
Lease rentals receivable	24,150,424	31,958,992	37,846,935	50,977,005
Credit cards	6,151,267	5,397,818	6,151,267	5,397,818
Pawning	82,975,731	74,853,575	88,230,314	78,679,236
Housing loans	79,420,418	77,822,934	79,459,457	79,253,538
Trade finance	41,550,553	43,251,289	45,133,465	44,212,949
Personal loans	446,225,539	375,931,300	448,254,975	377,281,078
Staff loans	23,528,091	22,011,830	23,737,202	22,904,576
Foreclosed properties	3,089,237	2,398,252	3,089,237	2,398,252
Other loans	40,212,753	27,925,566	40,212,753	27,925,566
<b>Total local currency loans and advances</b>	<b>1,983,396,044</b>	<b>1,620,912,510</b>	<b>2,012,301,396</b>	<b>1,650,178,707</b>
<b>Foreign currency</b>				
Overdrafts	35,597,630	31,029,463	35,912,095	31,559,101
Term loans	505,852,356	415,154,357	510,774,683	418,450,922
Trade finance	46,478,224	43,688,323	48,231,867	44,136,273
Lease rentals receivable	-	218,654	-	218,654
Housing loans	367,703	388,837	367,703	388,837
Staff loans	16,247	10,323	19,619	12,714
Foreclosed properties	5,135	2,975	5,135	2,975
Other loans	4,954,834	3,799,302	4,954,834	3,799,302
<b>Total foreign currency loans and advances</b>	<b>593,272,129</b>	<b>494,292,234</b>	<b>600,265,936</b>	<b>498,568,778</b>
<b>Total loans and advances to customers</b>	<b>2,576,668,173</b>	<b>2,115,204,744</b>	<b>2,612,567,332</b>	<b>2,148,747,485</b>

3) Movement in impairment provisions during the period for loans and advances to customers

	Bank			
	Stage 1	Stage 2	Stage 3	Total
Opening balance (01 January)	11,640,862	11,447,964	103,706,911	126,795,737
Charge / ( reversal ) during the period	12,675,143	3,521,857	26,393,611	42,590,611
Amount recovered during the period	-	-	(7,163,198)	(7,163,198)
Exchange rate variance on foreign currency impairment	101,931	152,344	428,457	682,732
Amount written-off during the period	-	-	(76,971)	(76,971)
Other movements	-	-	76,971	76,971
<b>Closing balance as at 31 December 2021</b>	<b>24,417,936</b>	<b>15,122,165</b>	<b>123,365,781</b>	<b>162,905,882</b>
	Group			
	Stage 1	Stage 2	Stage 3	Total
Opening balance (01 January)	11,846,679	11,678,868	106,828,208	130,353,755
Charge / ( reversal ) during the period	12,593,052	3,415,965	26,502,443	42,511,460
Amount recovered during the period	-	-	(7,163,198)	(7,163,198)
Exchange rate variance on foreign currency impairment	101,931	152,344	428,457	682,732
Amount written-off during the period	-	-	(76,971)	(76,971)
Other movements	-	-	(70,775)	(70,775)
<b>Closing balance as at 31 December 2021</b>	<b>24,541,662</b>	<b>15,247,177</b>	<b>126,448,164</b>	<b>166,237,003</b>

Rs.'000

4) Contingent liabilities and commitments

As at	Bank		Group	
	31-Dec-2021	31-Dec-2020	31-Dec-2021	31-Dec-2020
<b>By product - Domestic currency</b>				
Acceptances and documentary credits	258,672,506	175,533,470	258,672,506	175,533,470
Bills for collection	24,201,496	4,230,225	24,201,496	4,230,225
Forward exchange contracts	123,308,995	38,026,087	123,308,995	38,026,087
Guarantees	151,518,597	78,435,253	151,677,096	78,594,003
Undrawn and undisbursed facilities	153,080,622	171,967,912	153,080,636	171,967,912
Other commitments	17,061,108	19,068,284	17,855,292	19,999,630
<b>Total domestic currency contingent liabilities and commitments</b>	<b>727,843,324</b>	<b>487,261,231</b>	<b>728,796,021</b>	<b>488,351,327</b>
<b>By product - Foreign currency</b>				
Acceptances and documentary credits	15,742,566	12,985,202	16,250,430	12,985,202
Bills for collection	4,939,970	15,869,979	4,939,970	15,869,979
Forward exchange contracts	3,288,463	6,986,518	3,288,463	6,986,518
Guarantees	5,830,333	46,411,618	5,830,333	46,452,315
Undrawn and undisbursed facilities	11,159,452	6,887,148	11,275,683	7,183,477
Other commitments	110,552,367	23,808,991	127,390,596	41,841,069
<b>Total foreign currency contingent liabilities and commitments</b>	<b>151,513,151</b>	<b>112,949,456</b>	<b>168,975,475</b>	<b>131,318,560</b>
<b>Total Contingent liabilities and commitments</b>	<b>879,356,475</b>	<b>600,210,687</b>	<b>897,771,496</b>	<b>619,669,887</b>

5) Financial liabilities at amortised cost

Due to depositors - By product

As at	Bank		Group	
	31-Dec-2021	31-Dec-2020	31-Dec-2021	31-Dec-2020
<b>Local currency</b>				
Demand deposits (current accounts)	177,165,938	137,045,468	176,742,512	136,886,276
Savings deposits	680,053,160	582,379,867	680,964,033	583,280,576
Time deposits	1,388,690,770	1,195,753,019	1,405,966,371	1,212,138,000
Other deposits	7,824,661	4,019,586	7,832,191	4,024,106
<b>Total local currency deposits</b>	<b>2,253,734,529</b>	<b>1,919,197,940</b>	<b>2,271,505,107</b>	<b>1,936,328,958</b>
<b>Foreign currency</b>				
Demand deposits (current accounts)	34,897,193	28,108,479	35,562,840	28,716,661
Savings deposits	130,077,505	110,117,781	130,843,659	110,573,639
Time deposits	446,734,788	416,595,372	446,875,493	416,735,117
Other deposits	1,449,995	755,916	1,449,995	755,916
<b>Total foreign currency deposits</b>	<b>613,159,481</b>	<b>555,577,548</b>	<b>614,731,987</b>	<b>556,781,333</b>
<b>Total due to depositors</b>	<b>2,866,894,010</b>	<b>2,474,775,488</b>	<b>2,886,237,094</b>	<b>2,493,110,291</b>

Rs. '000												
For the Year ended 31 December	Retail Banking		Corporate Banking		International, Treasury and Investment		Group Functions		Unallocated		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>Revenue from external customers:</b>												
Net interest income	53,071,506	38,837,496	34,569,429	21,938,263	24,778,095	14,094,243	3,737,686	2,427,375	(1,167,089)	(94,136)	114,989,627	77,203,241
Net fee and commission income	9,204,685	9,034,700	3,359,959	1,735,384	932,570	634,938	243,385	217,646	682,188	554,070	14,422,787	12,176,737
Other income	651,105	284,537	3,318,650	1,331,677	7,938,658	4,869,475	924,643	208,521	291,254	106,554	13,124,310	6,800,764
<b>Total operating income</b>	<b>62,927,296</b>	<b>48,156,733</b>	<b>41,248,038</b>	<b>25,005,324</b>	<b>33,649,323</b>	<b>19,598,656</b>	<b>4,905,714</b>	<b>2,853,542</b>	<b>(193,647)</b>	<b>566,487</b>	<b>142,536,724</b>	<b>96,180,742</b>
<b>Expenses :</b>												
Impairment (charge)/reversal for loans and other losses	(13,240,129)	(11,860,677)	(20,640,008)	(14,987,487)	(9,003,986)	(3,885,611)	71,766	(799,895)	(849,608)	(498,403)	(43,661,965)	(32,032,073)
Total operating expenses	(28,311,761)	(23,052,120)	(6,687,754)	(5,114,790)	(6,092,663)	(4,457,010)	(3,351,115)	(3,437,149)	(588,411)	(460,753)	(45,031,704)	(36,521,822)
<b>Total expenses</b>	<b>(41,551,890)</b>	<b>(34,912,797)</b>	<b>(27,327,762)</b>	<b>(20,102,277)</b>	<b>(15,096,649)</b>	<b>(8,342,621)</b>	<b>(3,279,349)</b>	<b>(4,237,044)</b>	<b>(1,438,019)</b>	<b>(959,156)</b>	<b>(88,693,669)</b>	<b>(68,553,895)</b>
<b>Operating profit before taxes on financial services</b>	<b>21,375,406</b>	<b>13,243,936</b>	<b>13,920,276</b>	<b>4,903,047</b>	<b>18,552,674</b>	<b>11,256,035</b>	<b>1,626,365</b>	<b>(1,383,502)</b>	<b>(1,631,666)</b>	<b>(392,669)</b>	<b>53,843,055</b>	<b>27,626,847</b>
Taxes on financial services											(9,339,679)	(5,463,182)
<b>Operating profit after taxes on financial services</b>											<b>44,503,376</b>	<b>22,163,665</b>
Share of profits/ (losses) of Associate companies, net of tax							133,677	82,488			133,677	82,488
<b>Profit / (loss) before income tax</b>	<b>21,375,406</b>	<b>13,243,936</b>	<b>13,920,276</b>	<b>4,903,047</b>	<b>18,552,674</b>	<b>11,256,035</b>	<b>1,760,042</b>	<b>(1,301,014)</b>	<b>(1,631,666)</b>	<b>(392,669)</b>	<b>44,637,053</b>	<b>22,246,153</b>
Income tax expense											(5,953,659)	(5,938,747)
<b>Profit for the year</b>											<b>38,683,394</b>	<b>16,307,406</b>
<b>Total assets</b>	<b>995,646,746</b>	<b>902,023,302</b>	<b>1,430,320,436</b>	<b>1,086,867,184</b>	<b>1,213,737,811</b>	<b>861,849,707</b>	<b>44,665,909</b>	<b>41,792,680</b>	<b>163,578,854</b>	<b>132,240,902</b>	<b>3,847,949,756</b>	<b>3,024,773,775</b>
<b>Total liabilities</b>	<b>943,090,618</b>	<b>854,651,090</b>	<b>1,354,819,658</b>	<b>1,029,787,391</b>	<b>1,149,669,545</b>	<b>816,587,321</b>	<b>30,028,966</b>	<b>29,495,247</b>	<b>154,944,191</b>	<b>125,295,912</b>	<b>3,632,552,978</b>	<b>2,855,816,961</b>
Cash flows from / (used in) operating activities	25,159,143	49,720,201	16,491,497	25,817,153	13,453,432	19,914,799	(77,423)	646,628	1,001,671	5,625,366	56,028,320	101,724,147
Cash flows from / (used in) investing activities	(78,189,852)	(31,354,725)	(112,325,524)	(37,779,979)	(95,316,918)	(29,958,273)	(12,846,129)	(4,596,752)	295,995	448,722	(298,382,428)	(103,241,007)
Cash flows from/ (used in) financing activities	59,284,806	8,480,585	85,167,024	10,218,438	72,270,824	8,102,883	9,740,142	1,243,294	(896,862)	(7,215,955)	225,565,934	20,829,245
Capital expenditure to non current assets											(2,316,261)	(3,461,073)
Depreciation and amortisation expenses	1,085,432	1,286,526	1,559,304	1,550,163	1,323,190	1,229,228	93,377	136,624	178,330	188,611	4,239,633	4,391,152

During the period from 01.01.2015 to 31.12.2021

Year	Objective number	Objective as per Prospectus	Amount allocated as per Prospectus in Rs.	Proposed date of utilization as per Prospectus	Amount allocated from proceeds in Rs. (A)	% of total proceeds	Amounts utilized in Rs. (B)	% of utilization against allocation (B/A)	Clarification if not fully utilized including where the funds are invested (eg : whether lent to related party/s etc...)
2015	1	To increase the Tier II capital of the Bank in order to enhance the Capital Adequacy Ratio (CAR) and single borrower limit to facilitate expansion of the loan book.	8 Billion	06.10.2015	8 Billion	100	8 Billion	100	Not Applicable
	2	To minimize and manage the gap exposure in the Bank's assets/ liability portfolios.							
	3	To strengthen the Bank's liquidity position and to increase the asset base.							
2016	1	To increase the Tier II capital of the Bank in order to enhance the Capital Adequacy Ratio (CAR) and single borrower limit.	8 Billion	29.12.2016	8 Billion	100	8 Billion	100	Not Applicable
	2	To minimize and manage the gap exposure in the Bank's assets/ liability portfolios.							
	3	To strengthen the Bank's liquidity position and to increase the asset base / loan book.							