



INTERIM FINANCIAL STATEMENTS
for the nine-month period ended 30 September 2021
(Un -audited)

Bank of Ceylon

Fitch Ratings: AA- (lka)

Overview of the financial performance for nine months period ended 30th September 2021

- PBT for 3Q-2021 – Rs. 35.6 billion
- Total Assets – exceeding Rs. 3.5 trillion
- Over Rs. 2.0 trillion Deposit and Advances base

In a year marked by challenging operating conditions, Bank of Ceylon 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. Preserving its market leadership Bank of Ceylon has delivered unrivaled performance during nine months period ended 30th September 2021 this year while achieving another milestone by surpassing Rs. 3.0 trillion in its assets base.

Profit for the period

Mostly owing to loan growth and continuous credit monitoring efforts taken during 2021, the Bank reported Rs. 35.6 billion Profit Before Tax (PBT), which is two times with that of corresponding period of the previous year. Demonstrating its strength, agility and strategic approach in facing the challenges caused by the fluctuations of market interest rates and stress in the 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.

In line with the loan growth achieved interest income went up by 13% to Rs. 189.4 billion and main contributive portfolios were overdraft, term loan and personal loan. In the meantime, interest expense declined by 6% to Rs. 107.7 billion in line with the increase in CASA ratio to 35% from 33% (3Q-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 56% to Rs. 81.7 billion over that of 3Q-2020. Non-fund-based income of the Bank grew by 53% 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 65% of the fee and commission income. During the period under concern, an exchange gain of Rs. 8.6 billion was reported.

Impairment charge for loans and advances for the period amounted to Rs. 28.3 billion bringing the loan to impairment provision reserve ratio to 6%. NPA ratio stood at 4.5% against 5.0% reported by end September 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 additional expected loss provision using management overlays on identified risk elevated industries and adjusting the economic factor reasonably and adequate enough to cover unseen risk factors in the uncertain and highly volatile environment.

The operating expenses of Rs. 28.7 billion consists of personnel cost, assets maintenance, deposit insurance and other overhead expenses. The Bank's cost to income ratio of 30% shows the prudent and effective cost management mechanism adopted by the management.

Financial Position

During the period the Bank's total assets grew by 20% and reached the Rs. 3.6 trillion level preserving its industry leadership. The key contributive factor is growth in loans and 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 23% growth during the period under concern mainly backed by growth in overdrafts, term loans and personal loans.

The Bank's deposit base during the year has increased to Rs. 2.8 trillion. The Bank's deposit base represents 35% of Current and Saving deposit (CASA) base which generates funds at low cost. The Bank's Tier I Capital and Total Capital ratio stood at 11.7% and 15.0% respectively as of end September 2021 which were above the regulatory norms. Despite of cash flow deferments 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 well kept up.

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.

Furthermore, the Bank of Ceylon was among the top 10 Corporates at the “Best Corporate Citizen Sustainability Awards 2020” conducted by the Ceylon Chamber of Commerce. Also, Bank of Ceylon has 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 previous year. Fitch Ratings (SL) has assigned the credit rating of AA- (lka) to Bank of Ceylon and reaffirmed the same on Month of July 2021.

Continues to thrive with determined effort

BoC network consists of 646 branches (including limited service branches) and 1,373 ATMs, CRMs and CDMs across the country. During the period our ATM, CDM and CRM network has expanded by 43 more machines facilitating the growing demand for digital channels. Adopting to the new normalcy in the post COVID environment, we will be focusing more on expanding our digital and virtual delivery services and will continue to provide all our 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 speeded-up vaccination campaign coupled with the adherence to health guidelines to curtail the spread of the virus.

STATEMENT OF PROFIT OR LOSS

1

Rs. 000

For the nine months ended 30 September	Bank						Group					
	For the period ended			For the quarter ended			For the period ended			For the quarter ended		
	2021	2020	Change %	2021	2020	Change %	2021	2020	Change %	2021	2020	Change %
Total income	211,330,077	181,817,970	16.2	74,708,629	63,538,488	17.6	216,298,103	186,031,003	16.3	76,369,663	65,108,179	17.3
Interest income	189,403,644	167,300,294	13.2	67,496,682	58,361,818	15.7	193,853,597	171,229,226	13.2	68,905,914	59,469,365	15.9
Interest expenses	(107,724,074)	(114,965,212)	(6.3)	(37,299,609)	(37,515,556)	(0.6)	(109,499,020)	(117,338,742)	(6.7)	(37,838,848)	(38,180,153)	(0.9)
Net interest income	81,679,570	52,335,082	56.1	30,197,073	20,846,262	44.9	84,354,577	53,890,484	56.5	31,067,066	21,289,212	45.9
Fee and commission income	11,474,873	9,605,708	19.5	4,052,249	3,884,235	4.3	11,674,800	9,798,041	19.2	4,122,781	3,946,960	4.5
Fee and commission expenses	(2,256,734)	(1,606,339)	40.5	(859,327)	(550,804)	56.0	(2,319,568)	(1,621,611)	43.0	(902,664)	(560,679)	61.0
Net fee and commission income	9,218,139	7,999,369	15.2	3,192,922	3,333,431	(4.2)	9,355,232	8,176,430	14.4	3,220,117	3,386,281	(4.9)
Net gains / (losses) from trading	4,398,013	2,315,233	90.0	1,903,679	547,666	247.6	4,436,458	2,328,547	90.5	1,936,593	551,746	251.0
Net fair value gains / (losses) from financial instruments at fair value through profit or loss	619,083	207,854	197.8	688,429	1,089,071	(36.8)	626,033	267,003	134.5	724,809	1,181,317	(38.6)
Net gains/(losses) on derecognition of financial assets	218,538	324,681	(32.7)	(40,779)	140,739	(129.0)	218,742	324,938	(32.7)	(61,989)	76,017	(181.5)
Other operating income	5,215,926	2,064,200	152.7	608,369	(485,041)	(225.4)	5,488,473	2,083,248	163.5	741,555	(117,226)	(732.6)
Total operating income	101,349,269	65,246,419	55.3	36,549,693	25,472,128	43.5	104,479,515	67,070,650	55.8	37,628,151	26,367,347	42.7
Impairment (charge) / reversal												
Loans and advances	(28,346,957)	(19,540,013)	45.1	(15,364,092)	(4,878,069)	215.0	(28,655,128)	(19,759,700)	45.0	(15,513,599)	(4,912,205)	215.8
Other financial assets	(1,670,498)	(1,108,548)	50.7	(1,190,628)	(178,626)	566.5	(1,655,552)	(1,029,912)	60.7	(1,174,651)	(55,621)	2,011.9
Net operating income	71,331,814	44,597,858	59.9	19,994,973	20,415,433	(2.1)	74,168,835	46,281,038	60.3	20,939,901	21,399,521	(2.1)
Operating expenses												
Personnel expenses	(17,219,111)	(13,579,560)	26.8	(5,871,955)	(4,977,043)	18.0	(18,649,307)	(15,012,762)	24.2	(6,426,348)	(5,552,558)	15.7
Depreciation and amortisation	(3,065,777)	(3,200,172)	(4.2)	(1,025,748)	(1,111,761)	(7.7)	(3,139,133)	(3,269,205)	(4.0)	(987,565)	(1,137,950)	(13.2)
Other expenses	(8,400,278)	(7,287,666)	15.3	(2,955,725)	(2,746,820)	7.6	(9,073,971)	(8,584,399)	5.7	(3,133,526)	(3,310,159)	(5.3)
Total operating expenses	(28,685,166)	(24,067,398)	19.2	(9,853,428)	(8,835,624)	11.5	(30,862,411)	(26,866,366)	14.9	(10,547,439)	(10,000,667)	5.5
Operating profit before taxes on financial services	42,646,648	20,530,460	107.7	10,141,545	11,579,809	(12.4)	43,306,424	19,414,672	123.1	10,392,462	11,398,854	(8.8)
Value Added Tax (VAT) on financial services	(7,081,516)	(3,935,280)	79.9	(1,712,185)	(1,929,860)	(11.3)	(7,244,916)	(3,956,303)	83.1	(1,764,322)	(1,940,752)	(9.1)
Operating profit after taxes on financial services	35,565,132	16,595,180	114.3	8,429,360	9,649,949	(12.6)	36,061,508	15,458,369	133.3	8,628,140	9,458,102	(8.8)
Share of profits / (losses) of Associate companies, net of tax	-	-	-	-	-	-	101,352	25,608	295.8	34,297	2,239	1,431.8
Profit before income tax	35,565,132	16,595,180	114.3	8,429,360	9,649,949	(12.6)	36,162,860	15,483,977	133.6	8,662,437	9,460,341	(8.4)
Income tax expense	(7,999,789)	(4,919,630)	62.6	(2,934,261)	(3,756,925)	(21.9)	(8,102,812)	(5,046,343)	60.6	(2,968,017)	(3,768,849)	(21.2)
Profit for the period	27,565,343	11,675,550	136.1	5,495,099	5,893,024	(6.8)	28,060,048	10,437,634	168.8	5,694,420	5,691,492	0.1
Profit attributable to:												
Equity holder of the Bank	27,565,343	11,675,550	136.1	5,495,099	5,893,024	(6.8)	27,987,995	10,755,731	160.2	5,685,314	5,767,993	(1.4)
Non controlling interest	-	-	-	-	-	-	72,053	(318,097)	(122.7)	9,106	(76,501)	(111.9)
Profit for the period	27,565,343	11,675,550	136.1	5,495,099	5,893,024	(6.8)	28,060,048	10,437,634	168.8	5,694,420	5,691,492	0.1
Earnings per share:												
Basic earnings per share (Rs.)	1,102.61	467.02	136.1	219.80	235.72	(6.8)	1,119.52	430.23	160.2	227.41	230.72	(1.4)
Diluted earnings per share (Rs.)	1,102.61	467.02	136.1	219.80	235.72	(6.8)	1,119.52	430.23	160.2	227.41	230.72	(1.4)

STATEMENT OF COMPREHENSIVE INCOME

2

Rs. 000

For the nine months ended 30 September	Bank						Group					
	For the period ended			For the quarter ended			For the period ended			For the quarter ended		
	2021	2020	Change %	2021	2020	Change %	2021	2020	Change %	2021	2020	Change %
Profit for the period	27,565,343	11,675,550	136.1	5,495,099	5,893,024	(6.8)	28,060,048	10,437,634	168.8	5,694,420	5,691,492	0.1
Other comprehensive income for the period , net of tax												
Items that will be reclassified to profit or loss												
Exchange differences on translation of foreign operations	781,876	(34,618)	(2,358.6)	(3,068)	69,217	(104.4)	1,090,141	(33,793)	(3,325.9)	(142,562)	97,458	(246.3)
Net gains / (losses) on cashflow hedge instruments	2,346,751	-	-	5,401,113	-	-	2,346,751	-	-	5,401,113	-	-
Net gains / (losses) on investments in debt instruments measured at FVTOCI	(934,422)	187,579	(598.1)	(684,358)	(112,177)	510.1	(940,070)	192,625	(588.0)	(688,051)	(112,692)	510.6
Net (gains) / losses on FVTOCI financial investments reclassification to profit or loss	(31,643)	(7,137)	343.4	(23,992)	2,652	(1,004.7)	(31,643)	(7,137)	343.4	(23,992)	2,652	(1,004.7)
Deferred tax effect on net gains / (losses) on investments in debt instruments measured at FVTOCI *	245,368	(43,053)	(669.9)	169,695	27,505	517.0	245,368	(43,053)	(669.9)	169,695	27,505	517.0
Share of other comprehensive income of Associate companies, net of tax	-	-	-	-	-	-	(12,722)	(11,172)	13.9	(13,871)	6,775	(304.7)
	2,407,930	102,771	2,243.0	4,859,390	(12,803)	(38,055.1)	2,697,825	97,470	2,667.9	4,702,332	21,698	21,571.7
Items that will not be reclassified to profit or loss												
Change in fair value on investments in equity instruments designated at FVTOCI	51,122	(168,197)	(130.4)	(192,749)	379,617	(150.8)	48,990	(86,130)	(156.9)	(15,716)	515,261	(103.1)
Deferred tax effect on change in fair value on investments in equity instruments designated at FVTOCI *	46,062	(55,456)	(183.1)	7,032	(42,430)	(116.6)	46,062	(55,456)	(183.1)	7,032	(42,430)	(116.6)
Re-measurement of post-employment benefit obligations	-	-	-	-	-	-	1	(2,443)	(100.0)	(373)	(1,469)	(74.6)
Deferred tax effect on post-employment benefit obligations *	(395,319)	-	-	-	-	-	(395,319)	587	(67,445.7)	90	353	(74.5)
Changes in revaluation surplus / (deficit)	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax effect on revaluation surplus / (deficit) *	910,822	-	-	-	-	-	1,227,221	-	-	-	-	-
	612,687	(223,653)	(373.9)	(185,717)	337,187	(155.1)	926,955	(143,442)	(746.2)	(8,967)	471,715	(101.9)
Other comprehensive income for the period, net of tax	3,020,617	(120,882)	(2,598.8)	4,673,673	324,384	1,340.8	3,624,780	(45,972)	(7,984.7)	4,693,365	493,413	851.2
Total comprehensive income for the period	30,585,960	11,554,668	164.7	10,168,772	6,217,408	63.6	31,684,828	10,391,662	204.9	10,387,785	6,184,905	68.0
Attributable to:												
Equity holder of the Bank	30,585,960	11,554,668	164.7	10,168,772	6,217,408	63.6	31,616,267	10,706,867	195.3	10,373,018	6,254,836	65.8
Non controlling interest	-	-	-	-	-	-	68,561	(315,205)	(121.8)	14,767	(69,931)	(121.1)
Total comprehensive income for the period	30,585,960	11,554,668	164.7	10,168,772	6,217,408	63.6	31,684,828	10,391,662	204.9	10,387,785	6,184,905	68.0

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

As at	Bank			Group		
	30-Sep-2021	31-Dec-2020 (Audited)	Change %	30-Sep-2021	31-Dec-2020 (Audited)	Change %
Assets						
Cash and cash equivalents	84,209,908	84,416,624	(0.2)	84,216,835	83,198,445	1.2
Balances with Central Banks	67,886,775	33,351,852	103.5	67,886,775	33,351,852	103.5
Placements with banks	29,945,101	27,615,851	8.4	30,310,633	27,913,969	8.6
Securities purchased under resale agreements	2,394,728	2,001,047	19.7	3,658,817	3,822,312	(4.3)
Derivative financial instruments	2,639,155	548,926	380.8	2,639,155	548,926	380.8
Financial assets recognized through profit or loss measured at fair value	8,927,491	9,856,220	(9.4)	10,194,766	10,869,471	(6.2)
Financial assets at amortized cost						
- loans and advances	2,440,904,043	1,988,409,007	22.8	2,471,444,666	2,018,393,730	22.4
- debt and other instruments	793,731,792	724,390,172	9.6	794,460,913	725,579,585	9.5
Financial assets - measured at fair value through other comprehensive income	19,995,416	15,362,480	30.2	22,703,035	17,913,778	26.7
Investment in Subsidiary companies	8,181,138	6,513,048	25.6	-	-	-
Investment in Associate companies	92,988	92,988	-	598,710	510,084	17.4
Investment properties	2,444,510	2,534,118	(3.5)	112,191	114,370	(1.9)
Property, plant and equipment	32,729,266	33,366,003	(1.9)	46,738,793	47,418,620	(1.4)
Right of Use Asset / Leasehold properties	2,667,856	3,208,879	(16.9)	2,288,019	2,643,686	(13.5)
Intangible assets	961,352	1,020,881	(5.8)	1,134,019	1,228,597	(7.7)
Deferred tax assets	-	-	-	78,625	76,873	2.3
Other assets	69,067,455	50,292,999	37.3	70,109,845	51,189,477	37.0
Total assets	3,566,778,974	2,982,981,095	19.6	3,608,575,797	3,024,773,775	19.3
Liabilities						
Due to banks	4,739,803	2,402,043	97.3	4,821,803	2,628,434	83.4
Securities sold under repurchase agreements	140,859,602	57,106,652	146.7	141,384,392	57,697,780	145.0
Derivative financial instruments	413,934	102,182	305.1	413,934	102,182	305.1
Financial liabilities at amortized cost						
- due to depositors	2,766,422,731	2,474,775,488	11.8	2,784,998,765	2,493,110,291	11.7
- due to other borrowers	348,095,203	180,884,127	92.4	350,435,952	185,102,055	89.3
Debt securities issued	-	-	-	2,483,005	2,107,493	17.8
Current tax liabilities	1,987,584	591,723	235.9	2,170,682	775,259	180.0
Deferred tax liabilities	116,529	923,462	(87.4)	2,086,959	3,305,797	(36.9)
Insurance provision - Life	-	-	-	424,078	498,767	(15.0)
Insurance provision - Non life	-	-	-	545,573	488,784	11.6
Other liabilities	47,931,548	44,898,628	6.8	49,186,499	45,372,722	8.4
Subordinated liabilities	70,813,107	64,637,407	9.6	70,802,125	64,627,397	9.6
Total liabilities	3,381,380,041	2,826,321,712	19.6	3,409,753,767	2,855,816,961	19.4
Equity						
Share capital	25,000,000	25,000,000	-	25,000,000	25,000,000	-
Permanent reserve fund	13,739,000	13,739,000	-	13,739,000	13,739,000	-
OCI reserve	1,080,843	1,704,356	(36.6)	1,945,334	2,573,148	(24.4)
Cashflow hedge reserve	2,346,751	-	-	2,346,751	-	-
Retained earnings	122,307,562	96,983,948	26.1	123,125,038	97,463,266	26.3
Other reserves	20,924,777	19,232,079	8.8	31,230,975	28,913,613	8.0
Total equity attributable to equity holder of the Bank	185,398,933	156,659,383	18.3	197,387,098	167,689,027	17.7
Non controlling interest	-	-	-	1,434,932	1,267,787	13.2
Total equity	185,398,933	156,659,383	18.3	198,822,030	168,956,814	17.7
Total liabilities and equity	3,566,778,974	2,982,981,095	19.6	3,608,575,797	3,024,773,775	19.3
Contingent liabilities and commitments	702,301,005	580,448,870	21.0	728,596,904	599,908,069	21.5

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		
Balance as at 01 January 2020	25,000,000	13,383,000	1,976,601	-	2,539,318	11,694,338	87,689,480	142,282,737
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	-	11,675,550	11,675,550
Other comprehensive income, net of tax	-	-	(86,264)	-	(34,618)	-	-	(120,882)
Dividends for the period	-	-	-	-	-	-	(596,410)	(596,410)
Balance as at 30 September 2020	25,000,000	13,383,000	1,890,337	-	2,504,700	11,694,338	98,768,620	153,240,995
Balance as at 01 January 2021	25,000,000	13,739,000	1,704,356	-	2,550,889	16,681,190	96,983,948	156,659,383
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	-	27,565,343	27,565,343
Other comprehensive income, net of tax	-	-	(623,513)	2,346,751	781,876	910,822	(395,319)	3,020,617
Dividends for the period	-	-	-	-	-	-	(1,846,410)	(1,846,410)
Balance as at 30 September 2021	25,000,000	13,739,000	1,080,843	2,346,751	3,332,765	17,592,012	122,307,562	185,398,933

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			
Balance as at 01 January 2020	25,000,000	13,383,000	2,571,824	-	3,827,349	19,287,824	89,140,565	1,785,087	154,995,649
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	10,755,731	(318,097)	10,437,634
Other comprehensive income, net of tax	-	-	(2,154)	-	(33,793)	-	(12,917)	2,892	(45,972)
Dividends for the period	-	-	-	-	-	-	(596,410)	-	(596,410)
Subsidiary dividends to non controlling interest	-	-	-	-	-	-	-	(14,685)	(14,685)
Balance as at 30 September 2020	25,000,000	13,383,000	2,569,670	-	3,793,556	19,287,824	99,286,969	1,455,197	164,776,216
Balance as at 01 January 2021	25,000,000	13,739,000	2,573,148	-	4,060,608	24,853,005	97,463,266	1,267,787	168,956,814
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	27,987,995	72,053	28,060,048
Other comprehensive income, net of tax	-	-	(627,814)	2,346,751	1,090,141	1,227,221	(408,027)	(3,492)	3,624,780
Dividends for the period	-	-	-	-	-	-	(1,846,410)	-	(1,846,410)
Subsidiary dividends to non controlling interest	-	-	-	-	-	-	-	(10,280)	(10,280)
Disposal of subsidiaries	-	-	-	-	-	-	(71,786)	(6,462)	(78,248)
Change of non controlling interest	-	-	-	-	-	-	-	115,326	115,326
Balance as at 30 September 2021	25,000,000	13,739,000	1,945,334	2,346,751	5,150,749	26,080,226	123,125,038	1,434,932	198,822,030

Rs.'000

For the nine months ended 30 September	Bank		Group	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit before income tax	35,565,132	16,595,180	36,162,860	15,483,977
Adjustments for :				
Net interest income	(81,679,570)	(52,335,082)	(84,354,577)	(53,890,484)
Dividend income on trading securities	(24,735)	(46,374)	(24,735)	(46,374)
Dividends from Subsidiaries and Associates	(16,427)	(431,475)	-	-
Share of profits of Associate companies, net of tax	-	-	(101,352)	(25,608)
Change in operating assets	(531,399,770)	(376,420,038)	(531,860,476)	(374,664,245)
Change in operating liabilities	390,778,046	318,432,225	388,240,199	309,900,885
Other non cash items included in profit before tax	30,369,877	22,609,486	30,730,272	22,819,570
Other net (gains)/ losses from investing activities	(837,621)	(532,535)	(844,775)	(591,941)
	(157,245,068)	(72,128,613)	(162,052,584)	(81,014,220)
Contribution paid from defined benefit plans	(6,314,143)	(6,225,743)	(6,332,106)	(6,251,644)
Interest received	139,610,696	122,972,558	143,672,159	126,978,705
Interest paid	(104,683,497)	(109,485,114)	(106,073,091)	(110,666,261)
Dividends received	24,735	46,374	24,735	46,374
Net cash from operating activities before income tax	(128,607,277)	(64,820,538)	(130,760,887)	(70,907,046)
Income tax paid	(5,672,094)	(3,630,493)	(5,874,345)	(3,769,070)
Net cash from/ (used in) operating activities	(134,279,371)	(68,451,031)	(136,635,232)	(74,676,116)
Cash flows from investing activities				
Net increase in financial investments at amortized cost	(68,885,788)	(29,391,148)	(68,425,496)	(29,855,359)
Net (increase)/ decrease in financial investments recognized through OCI	(4,787,975)	1,189,998	(4,984,640)	1,532,114
Investment in subsidiary companies	(1,668,090)	-	-	-
Purchase of property plant and equipment and leasehold properties	(989,913)	(1,426,560)	(1,060,433)	(1,495,477)
Purchase of intangible assets	(612,075)	(296,411)	(614,527)	(318,250)
Dividends received	94,144	755,018	117,435	438,337
Interest received	45,770,169	36,896,369	46,158,660	37,158,694
Net cash from investing activities	(31,079,528)	7,727,266	(28,809,001)	7,460,059
Cash flows from financing activities				
Net increase in other borrowings	164,972,264	63,399,117	166,525,179	70,519,592
Proceeds from issue of debentures/ capital bonds	3,350,000	5,000,000	3,350,000	5,000,000
Dividends paid to Government of Sri Lanka	(1,846,410)	(596,410)	(1,846,410)	(596,410)
Dividends paid to non controlling interest	-	-	(10,280)	(14,685)
Interest payments on borrowings and debt securities	(3,961,669)	(1,421,111)	(3,972,482)	(1,969,450)
Net cash from financing activities	162,514,185	66,381,596	164,046,007	72,939,047
Net increase / (decrease) in cash and cash equivalents during the period	(2,844,714)	5,657,830	(1,398,226)	5,722,989
Cash and cash equivalents at the beginning of the period	83,978,210	63,523,958	82,533,640	63,221,255
Cash and cash equivalents at the end of the period	81,133,496	69,181,788	81,135,414	68,944,244
Analysis of cash and cash equivalents				
Cash and cash equivalents	84,209,908	75,410,203	84,216,835	75,086,011
Bank overdrafts	(3,076,412)	(6,228,415)	(3,081,421)	(6,141,767)
Cash and cash equivalents at the end of the period	81,133,496	69,181,788	81,135,414	68,944,244

SELECTED PERFORMANCE INDICATORS

6

As at	Bank		Group	
	30-Sep-2021	31-Dec-2020	30-Sep-2021	31-Dec-2020
Net assets value per share (Rs)	7,415.96	6,266.38	7,895.48	6,707.56
Profitability				
Interest margin *	3.33%	2.77%	3.39%	2.81%
Return on assets (before tax) *	1.45%	0.87%	1.45%	0.81%
Return on equity (after tax) *	21.49%	11.89%	20.35%	10.07%
Assets Quality				
Gross non - performing advances ratio, (Net of interest in suspense)	4.50%	4.76%		
Net non - performing advances ratio, (Net of interest in suspense and provisions)	1.09%	1.36%		
Impaired Loans (Stage 3) Ratio	5.00%	5.16%		
Impairment (Stage 3) to Stage 3 Loans Ratio	49.24%	49.97%		
Investor Information				
Debt equity (%)	55.87	35.37		
Interest cover (times)	3.46	2.54		
Memorandum Information				
Number of employees	8,380	8,479		
Number of branches	581	582		

* These ratios have been calculated annualizing the 3Q - 2021 figures.

KEY REGULATORY RATIOS - CAPITAL AND LIQUIDITY

As at	Bank		Group	
	30-Sep-2021	31-Dec-2020	30-Sep-2021	31-Dec-2020
Regulatory Capital (Rs. ' 000)				
Common equity Tier 1	154,296,421	134,161,198	161,370,678	139,751,189
Total Tier I capital	172,646,421	149,161,198	179,395,719	154,751,189
Total capital	220,752,776	197,801,611	228,340,303	204,636,436
Regulatory Capital Ratios (%)				
Common equity Tier 1 capital ratio (Minimum requirement, Basel III - 7.50%)	10.49%	10.09%	10.66%	10.19%
Total Tier I capital ratio (Minimum requirement, Basel III - 9.00%)	11.74%	11.22%	11.85%	11.28%
Total capital ratio (Minimum requirement, Basel III - 13.00%)	15.01%	14.88%	15.09%	14.92%
Leverage ratio (Minimum requirement - 3%)	4.44%	4.68%	4.56%	4.78%
Regulatory Liquidity				
Statutory liquid assets, - Domestic banking unit (Rs. ' 000)	601,000,408	625,559,328		
- Off-shore banking unit (US\$ 000)	736,586	855,315		
Statutory liquid assets ratio, (minimum requirement, 20%) - Domestic banking unit	22.11%	26.57%		
- Off-shore banking unit	24.54%	29.48%		
Total Stock of High Quality Liquid Assets	608,928,800	526,041,060		
Liquidity coverage ratio - Rupee (Minimum requirement, 90.00%)	411.00%	190.00%		
Liquidity coverage ratio - All currency (Minimum requirement, 90.00%)	193.86%	136.97%		
Net stable funding ratio (Minimum requirement - 90%)	118.00%	131.00%		

SHARE INFORMATION

Shareholder	30-Sep-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. No circumstances have arisen and no material events have occurred since the reporting date, which require disclosures or adjustments to the financial statements.
- IV. During the period, there were no material changes in the composition of assets, liabilities and contingent liabilities in the Bank.
- V. All known expenses have been charged in these financial statements.
- VI. 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 will continue to support the measures taken to revive the economy and the safety of the customers and the staff will be considered as being of paramount importance in conducting all operational activities.
- VII. The Bank accounted for current tax and differed tax for the reporting period in accordance with the guideline issued by CA Sri Lanka on the “Application of Tax Rates in Measure of Current Tax and Deferred Tax in LKAS 12” dated 23 April 2021.
- VIII. The Bank has entered in to ten USD/LKR funding SWAPs amounting to USD 90 million during the month of April and June 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.
- 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 30 September 2021 and its profit for the nine-month period ended 30 September 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 un-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

15 November 2021
Colombo

As at 30 September	2021				
	Fair value through profit or loss	Amortised cost	Fair value through OCI	Others	Total
Financial assets					
Cash and cash equivalents	-	84,209,908	-	-	84,209,908
Balances with Central Banks	-	67,886,775	-	-	67,886,775
Placements with banks	-	29,945,101	-	-	29,945,101
Securities purchased under resale agreements	-	2,394,728	-	-	2,394,728
Derivative financial instruments	2,639,155	-	-	-	2,639,155
Loans and advances	-	2,440,904,043	-	-	2,440,904,043
Financial investments	8,927,491	793,731,792	19,995,416	-	822,654,699
Total financial assets	11,566,646	3,419,072,347	19,995,416	-	3,450,634,409
Other assets				116,144,565	116,144,565
Total assets	11,566,646	3,419,072,347	19,995,416	116,144,565	3,566,778,974

	Fair value through profit or loss	Amortised Cost	Others	Total
Financial liabilities				
Due to banks	-	4,739,803	-	4,739,803
Securities sold under repurchase agreements	-	140,859,602	-	140,859,602
Derivative financial instruments	413,934	-	-	413,934
Other financial liabilities held for trading	-	-	-	-
Due to depositors	-	2,766,422,731	-	2,766,422,731
Other borrowings	-	348,095,203	-	348,095,203
Debt securities issued	-	-	-	-
Subordinated liabilities	-	70,813,107	-	70,813,107
Total financial liabilities	413,934	3,330,930,446	-	3,331,344,380
Other liabilities	-	-	50,035,661	50,035,661
Total liabilities	413,934	3,330,930,446	50,035,661	3,381,380,041

As at 31 December	2020				
	Fair value through profit or loss	Amortised cost	Fair value through OCI	Others	Total
Financial assets					
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
Total financial assets	10,405,146	2,860,184,553	15,362,480	-	2,885,952,179
Other assets	-	-	-	97,028,916	97,028,916
Total assets	10,405,146	2,860,184,553	15,362,480	97,028,916	2,982,981,095

	Fair value through profit or loss	Amortised Cost	Others	Total
Financial liabilities				
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
Total financial liabilities	102,182	2,779,805,717	-	2,779,907,899
Other liabilities	-	-	46,413,813	46,413,813
Total liabilities	102,182	2,779,805,717	46,413,813	2,826,321,712

As at 30 September	2021				
	Fair value through profit or loss	Amortised cost	Fair value through OCI	Others	Total
Financial assets					
Cash and cash equivalents	-	84,216,835	-	-	84,216,835
Balances with Central Banks	-	67,886,775	-	-	67,886,775
Placements with banks	-	30,310,633	-	-	30,310,633
Securities purchased under resale agreements	-	3,658,817	-	-	3,658,817
Derivative financial instruments	2,639,155	-	-	-	2,639,155
Loans and advances	-	2,471,444,666	-	-	2,471,444,666
Financial investments	10,194,766	794,460,913	22,703,035	-	827,358,714
Total financial assets	12,833,921	3,451,978,639	22,703,035	-	3,487,515,595
Other assets	-	-	-	121,060,202	121,060,202
Total assets	12,833,921	3,451,978,639	22,703,035	121,060,202	3,608,575,797

	Fair value through profit or loss	Amortised cost	Others	Total
Financial liabilities				
Due to banks	-	4,821,803	-	4,821,803
Securities sold under repurchase agreements	-	141,384,392	-	141,384,392
Derivative financial instruments	413,934	-	-	413,934
Other financial liabilities held for trading	-	-	-	-
Due to depositors	-	2,784,998,765	-	2,784,998,765
Other borrowings	-	350,435,952	-	350,435,952
Debt securities issued	-	2,483,005	-	2,483,005
Subordinated liabilities	-	70,802,125	-	70,802,125
Total financial liabilities	413,934	3,354,926,042	-	3,355,339,976
Other liabilities	-	-	54,413,791	54,413,791
Total liabilities	413,934	3,354,926,042	54,413,791	3,409,753,767

As at 31 December	2020				
	Fair value through profit or loss	Amortised cost	Fair value through OCI	Others	Total
Financial assets					
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
Total financial assets	11,418,397	2,892,259,893	17,913,778	-	2,921,592,068
Other assets	-	-	-	103,181,707	103,181,707
Total assets	11,418,397	2,892,259,893	17,913,778	103,181,707	3,024,773,775

	Fair value through profit or loss	Amortised cost	Others	Total
Financial liabilities				
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
Total financial liabilities	102,182	2,805,273,450	-	2,805,375,632
Other liabilities	-	-	50,441,329	50,441,329
Total liabilities	102,182	2,805,273,450	50,441,329	2,855,816,961

Description	Note	Interest payable frequency	Issue date	Maturity date	Coupon rate		Interest Rate of comparable Government security	Amount	
					30.09.2021	31.12.2020		Bank	
					%	%		30.09.2021	31.12.2020
							Rs '000	Rs '000	
Sri Lanka rupee debentures									
Fixed interest rate									
Listed, Unsecured, subordinated, redeemable debentures	a	Annually	25.10.2013	24.10.2021	13.25	13.25	5.85	1,346,120	1,226,594
Listed, Unsecured, subordinated, redeemable debentures	a	Annually	25.10.2013	24.10.2022	13.25	13.25	6.67	1,347,242	1,227,617
Listed, Unsecured, subordinated, redeemable debentures	a	Annually	25.10.2013	24.10.2023	13.75	13.75	7.86	1,803,700	1,638,142
Listed, Unsecured, subordinated, redeemable debentures	a	Annually	22.09.2014	21.09.2022	8.25	8.25	6.58	1,836,631	1,873,793
Listed, Unsecured, subordinated, redeemable debentures	a	Annually	06.10.2015	05.10.2023	9.50	9.50	7.82	1,290,182	1,205,580
Listed, Unsecured, subordinated, redeemable debentures	a	Annually	29.12.2016	28.12.2021	13.25	13.25	6.29	8,784,430	8,003,631
Listed, Unsecured, subordinated, redeemable debentures	a	Annually	29.12.2016	28.12.2024	12.75	12.75	8.43	858	784
Unlisted, Unsecured, subordinated, redeemable debentures		Annually	29.12.2017	28.12.2022	12.50	12.50	6.82	5,465,740	5,004,843
Unlisted, Unsecured, subordinated, redeemable debentures		Annually	29.12.2017	28.12.2025	12.75	12.75	9.12	5,474,843	5,004,934
Unlisted, Unsecured, subordinated, redeemable debentures		Annually	31.07.2018	30.07.2026	12.00	12.00	9.37	6,828,935	7,028,208
Unlisted, Unsecured, subordinated, redeemable debentures		Annually	03.12.2018	02.12.2023	12.00	12.00	7.98	5,820,311	5,347,957
Unlisted, Unsecured, subordinated, redeemable debentures		Annually	27.06.2019	26.06.2024	11.75	11.75	8.11	3,088,930	3,176,666
Unlisted, Unsecured, subordinated, redeemable debentures		Annually	17.07.2019	16.07.2024	11.80	11.80	8.29	1,073,487	1,104,102
Unlisted, Unsecured, subordinated, redeemable debentures		Annually	18.07.2019	17.07.2024	11.80	11.80	8.29	2,250,990	2,315,186
Unlisted, Unsecured, subordinated, redeemable debentures		Annually	23.07.2019	22.07.2024	11.80	11.80	8.29	2,553,739	2,626,817
Unlisted, Unsecured, subordinated, redeemable debentures		Annually	24.07.2019	23.07.2024	11.50	11.50	8.29	408,314	419,674
Unlisted, Unsecured, subordinated, redeemable debentures		Annually	26.07.2019	25.07.2027	11.75	11.75	8.29	62,405	64,181
								49,436,857	47,268,709
Floating interest rate									
Listed, Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 100 basis points)	a/b	Semi annually	25.10.2013	24.10.2021	6.13	4.87	8.43	1,026	1,009
Listed, Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 50 basis points)	a/b	Semi annually	22.09.2014	21.09.2022	6.45	5.14	6.58	30	30
Listed, Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 125 basis points)	a/b	Semi annually	06.10.2015	05.10.2023	6.35	5.89	7.82	2,103,148	2,068,443
Listed, Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 125 basis points)	a/b	Semi annually	29.12.2016	28.12.2021	6.42	6.03	6.29	1,036	1,021
Listed, Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 125 basis points)	a/b	Semi annually	29.12.2016	28.12.2024	6.42	6.03	8.43	20	20
								2,105,260	2,070,523
Additional Tier I capital bond									
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	-	5,108,368	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%)		Annually	01.12.2020	N/A	9.00	9.00	-	10,743,715	10,071,278
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	-	-	3,418,907	-
								19,270,990	15,298,175
								70,813,107	64,637,407

Notes

- a) Debentures that are listed in the Colombo Stock Exchange.
- b) Weighted average 6 months Treasury Bill interest rate before deducting relevant withholding tax at the primary quotations as announced by the Central Bank of Sri Lanka, at the preceding week of the interest resetting date.

	01-Jan-2021 to 30-Sep-2021 Rs.	01-Jan-2020 to 31-Dec-2020 Rs.
Market Value		
BoC Debentures 2013/2023 ,		
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
BoC Debentures 2014/2022 ,		
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
BoC Debentures 2015/2023		
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
BoC Debentures 2016/2024		
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

	30-Sep-2021 %	31-Dec-2020 %
Interest yield as at date of last trade done		
BoC Debentures 2013/2023 ,		
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
BoC Debentures 2014/2022 ,		
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
BoC Debentures 2015/2023 ,		
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
BoC Debentures 2016/2024 ,		
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
Yield to maturity of last trade done		
BoC Debentures 2013/2023 ,		
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
BoC Debentures 2014/2022 ,		
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
BoC Debentures 2015/2023 ,		
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
BoC Debentures 2016/2024 ,		
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	
	30.09.2021	31.12.2020	30.09.2021	31.12.2020
	Rs '000	Rs '000	Rs '000	Rs '000
Gross loans and receivables	2,596,864,434	2,115,204,744	2,631,135,474	2,148,747,485
Stage 1	2,190,949,046	1,786,211,706	2,205,938,896	1,801,797,522
Stage 2	161,755,120	121,469,096	166,429,905	126,232,816
Stage 3	244,160,268	207,523,942	258,766,673	220,717,147
Less : Accumulated impairment	155,960,391	126,795,737	159,690,808	130,353,755
Stage 1	17,315,261	11,640,862	17,455,349	11,846,679
Stage 2	18,420,706	11,447,964	18,562,573	11,678,868
Stage 3	120,224,424	103,706,911	123,672,886	106,828,208
Net loans and advances	2,440,904,043	1,988,409,007	2,471,444,666	2,018,393,730

2) Loans and advances to customers - By product

Local currency	Bank		Group	
	30.09.2021	31.12.2020	30.09.2021	31.12.2020
	Rs '000	Rs '000	Rs '000	Rs '000
Overdrafts	619,476,260	309,022,965	619,276,386	308,799,265
Term loans	606,528,998	517,251,819	611,721,873	518,944,638
Lease rentals receivable	25,044,747	31,958,992	38,533,208	50,977,005
Credit cards	5,556,545	5,397,818	5,556,545	5,397,818
Pawning	76,945,584	74,853,575	82,011,497	78,679,236
Loans under schemes	118,881,840	133,086,170	119,175,548	133,404,786
Housing loans	78,490,531	77,822,934	79,437,715	79,253,538
Trade finance	42,323,587	43,251,289	43,338,466	44,212,949
Personal loans	393,459,604	375,931,300	396,306,698	377,281,078
Staff loans	23,399,833	22,011,830	23,633,709	22,904,576
Foreclosed properties	2,441,427	2,398,252	2,441,427	2,398,252
Other loans	33,386,251	27,925,566	33,386,251	27,925,566
Total local currency loans and advances	2,025,935,207	1,620,912,510	2,054,819,323	1,650,178,707
Foreign currency				
Overdrafts	27,817,566	31,029,463	28,110,378	31,559,101
Term loans	486,251,614	415,154,357	490,438,669	418,450,922
Trade finance	50,250,766	43,688,323	51,153,943	44,136,273
Lease rentals receivable	-	218,654	-	218,654
Housing loans	607,236	388,837	607,236	388,837
Staff loans	12,319	10,323	16,199	12,714
Foreclosed properties	5,204	2,975	5,204	2,975
Other loans	5,984,522	3,799,302	5,984,522	3,799,302
Total foreign currency loans and advances	570,929,227	494,292,234	576,316,151	498,568,778
Total loans and advances to customers	2,596,864,434	2,115,204,744	2,631,135,474	2,148,747,485

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	5,498,356	6,811,854	19,671,800	31,982,010
Amount recovered during the period	-	-	(3,635,053)	(3,635,053)
Exchange rate variance on foreign currency impairment	176,043	160,888	480,766	817,697
Amount written-off during the period	-	-	(39,555)	(39,555)
Other movements	-	-	39,555	39,555
Closing balance as at 30 September 2021	17,315,261	18,420,706	120,224,424	155,960,391
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	5,432,627	6,722,817	20,134,737	32,290,181
Amount recovered during the period	-	-	(3,635,053)	(3,635,053)
Exchange rate variance on foreign currency impairment	176,043	160,888	480,766	817,697
Amount written-off during the period	-	-	(39,555)	(39,555)
Other movements	-	-	(96,217)	(96,217)
Closing balance as at 30 September 2021	17,455,349	18,562,573	123,672,886	159,690,808

Rs.'000

4) Contingent liabilities and commitments

As at	Bank		Group	
	30-Sep-2021	31-Dec-2020	30-Sep-2021	31-Dec-2020
By product - Domestic currency				
Acceptances and documentary credits	19,824,255	13,180,502	19,824,255	13,180,502
Bills for collection	5,146,828	4,230,225	5,146,828	4,230,225
Forward exchange contracts	55,680,444	27,424,280	55,680,444	27,424,280
Guarantees	109,696,396	78,435,253	109,764,061	78,486,203
Undrawn and undisbursed facilities	158,396,806	181,885,609	158,396,806	181,885,609
Other commitments	1,486,155	7,282,295	1,799,043	8,521,129
Total domestic currency contingent liabilities and commitments	350,230,884	312,438,165	350,611,437	313,727,949
By product - Foreign currency				
Acceptances and documentary credits	263,718,978	175,338,170	263,754,599	175,405,672
Bills for collection	19,308,673	15,869,979	19,308,673	15,869,979
Forward exchange contracts	14,184,963	6,986,518	39,995,806	25,018,595
Guarantees	32,201,232	46,411,618	32,247,758	46,452,315
Undrawn and undisbursed facilities	22,119,750	22,783,068	22,142,106	22,812,207
Other commitments	536,525	621,353	536,525	621,353
Total foreign currency contingent liabilities and commitments	352,070,121	268,010,705	377,985,467	286,180,120
Total Contingent liabilities and commitments	702,301,005	580,448,870	728,596,904	599,908,069

5) Financial liabilities at amortised cost

Due to depositors - By product

As at	Bank		Group	
	30-Sep-2021	31-Dec-2020	30-Sep-2021	31-Dec-2020
Local currency				
Demand deposits (current accounts)	133,237,400	137,045,468	133,030,860	136,886,276
Savings deposits	670,608,684	582,379,867	671,521,500	583,280,576
Time deposits	1,324,753,243	1,195,753,019	1,341,251,728	1,212,138,000
Other deposits	5,838,961	4,019,586	5,843,481	4,024,106
Total local currency deposits	2,134,438,288	1,919,197,940	2,151,647,569	1,936,328,958
Foreign currency				
Demand deposits (current accounts)	46,760,082	28,108,479	47,425,971	28,716,661
Savings deposits	113,398,629	110,117,781	113,937,543	110,573,639
Time deposits	470,894,198	416,595,372	471,056,148	416,735,117
Other deposits	931,534	755,916	931,534	755,916
Total foreign currency deposits	631,984,443	555,577,548	633,351,196	556,781,333
Total due to depositors	2,766,422,731	2,474,775,488	2,784,998,765	2,493,110,291

Rs. '000

For the nine months ended 30th September	Retail banking		Corporate banking		International, treasury and investment		Group functions		Unallocated		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenue from external customers:												
Net interest income	42,958,516	28,550,937	20,763,230	13,972,635	24,397,300	11,993,329	2,675,007	1,555,402	(6,439,477)	(2,181,819)	84,354,577	53,890,484
Net fee and commission income	6,189,289	5,962,092	1,805,236	1,141,725	712,521	514,278	137,093	177,061	511,093	381,274	9,355,232	8,176,430
Other income	357,964	113,157	2,766,345	980,088	7,027,293	3,754,792	318,146	91,768	299,958	63,931	10,769,706	5,003,736
Total operating income	49,505,769	34,626,186	25,334,812	16,094,448	32,137,114	16,262,399	3,130,246	1,824,231	(5,628,426)	(1,736,614)	104,479,515	67,070,650
Expenses :												
Impairment (charge)/ reversal for loans and other losses	(15,340,385)	(9,164,475)	(11,164,945)	(9,462,564)	(2,527,546)	(1,607,636)	(293,225)	(141,051)	(984,579)	(413,886)	(30,310,680)	(20,789,612)
Total operating expenses	(17,734,013)	(16,005,146)	(6,015,761)	(4,403,185)	(4,292,310)	(3,175,449)	(2,177,245)	(2,798,968)	(643,082)	(483,618)	(30,862,411)	(26,866,366)
Total expenses	(33,074,398)	(25,169,621)	(17,180,706)	(13,865,749)	(6,819,856)	(4,783,085)	(2,470,470)	(2,940,019)	(1,627,661)	(897,504)	(61,173,091)	(47,655,978)
Operating profit before VAT and NBT	16,431,371	9,456,565	8,154,106	2,228,699	25,317,258	11,479,314	659,776	(1,115,788)	(7,256,087)	(2,634,118)	43,306,424	19,414,672
Taxes on financial services											(7,244,916)	(3,956,303)
Operating profit after taxes on financial services											36,061,508	15,458,369
Share of profit/ (loss) of associate companies, net of tax							101,352	25,608			101,352	25,608
Profit/(loss) before income tax	16,431,371	9,456,565	8,154,106	2,228,699	25,317,258	11,479,314	761,128	(1,090,180)	(7,256,087)	(2,634,118)	36,162,860	15,483,977
Income tax expense											(8,102,812)	(5,046,343)
Profit for the period											28,060,048	10,437,634
Total assets	973,325,235	833,458,775	1,507,738,115	1,123,658,176	923,983,432	714,960,028	41,796,824	45,518,906	161,732,191	145,581,053	3,608,575,797	2,863,176,939
Total liabilities	922,732,400	788,130,333	1,429,366,835	1,062,546,965	875,955,353	676,076,252	28,373,726	33,983,684	153,325,453	137,663,490	3,409,753,767	2,698,400,723
Cash flows from / (used in) operating activities	(65,591,036)	(36,326,869)	(33,566,523)	(16,884,935)	(42,579,009)	(17,061,135)	(2,355,861)	(6,225,085)	7,457,197	1,821,908	(136,635,232)	(74,676,116)
Cash flows from / (used in) investing activities	(8,481,178)	2,285,713	(13,137,845)	3,081,568	(8,051,233)	1,960,737	2,270,527	(267,207)	(1,409,272)	399,248	(28,809,001)	7,460,059
Cash flows from/ (used in) financing activities	90,900,506	39,563,785	48,539,273	22,175,199	17,153,925	2,137,480	1,531,822	6,557,451	5,920,481	2,505,132	164,046,007	72,939,047
Capital expenditure to non-current assets											(1,674,960)	1,813,727
Depreciation and amortization expenses	836,609	946,606	1,295,956	1,276,202	794,198	812,020	73,356	69,033	139,015	165,345	3,139,133	3,269,205

During the period from 01.01.2015 to 30.09.2021

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.							