



INTERIM FINANCIAL STATEMENTS
for the six-month period ended 30 June 2022
(Un-audited)

Bank of Ceylon

Fitch Ratings: AA- (lka)

Financial commentary for 2Q-2022

- Profit Before Tax: Rs. 21.8 billion
- Total Assets base of Rs. 4.5 trillion
- Deposit base of Rs. 3.2 trillion
- Total Loans and advances reached to Rs. 2.5 trillion

The Bank had to face many headwinds during the period under review due to never experienced turmoil in the economy. However, the Bank was able to report Rs. 21.8 billion of Profit Before Tax (PBT) during the first six months of the year among these unprecedented challenges.

Fund Based Income

The net interest income of Rs. 80.8 billion was reported with 57% growth contributing 72% to total operating income of the Bank. Interest income grew by 62% materializing the loans and investment growth reported in the previous year. Out of the total interest income of Rs. 197.5 billion, 67% was represented by the interest income from loans and advances and considerable contribution was delivered by income from Overdraft, Term loans and Retail loans.

The investment instruments which mainly comprises of Government Treasury Bonds and Bills brought the major portion of interest income earned from the investment portfolio which stood at Rs. 63.8 billion. In the meantime, interest expenses increased by 65% to Rs. 116.7 billion in line with the increase in deposit base and repricing the deposits at higher rates. However, the Bank managed to maintain better trade-off between the funding cost and interest yield during the period.

Non- Fund Based Income

Total net non-fund-based income of the Bank amounted to Rs. 31.5 billion. During the first six-month period ended 30 June 2022, LKR depreciated by 80% against USD and this resulted a significant amount of exchange gains which is included under non- fund-based income. Net exchange gain of Rs. 25.4 billion has been reported after netting off the exchange impact derived on impairment on loans and advances and Government Securities denominated in foreign currency and the corresponding exchange gain reported under other operating income.

Net fee and commission income of Rs. 7.8 billion was derived through the retail transactional level banking services and trade finance including card transactions and remittances. Mark to market loss of Rs. 2.4 billion was resulted from the investment in unit trusts and equity shares due to adverse market price fluctuations.

Impairment Charges for Loans and Advances and Other Financial Instruments

In preparing these Financial Statements the Bank has adopted the requirements specified under the new CBSL Directions No.13 and 14 of 2021 on Classification, Recognition and Measurement of Credit Facilities and Financial Assets which have been effective from 01.01.2022 when classifying and calculating the impairment provision for loans and advances and investments.

The unhealthy economic context prevailed during the period adversely impacted for the business operations and non-performing loans and advances increased due to cash flow pressures and low repayment ability. In order to capture expected losses from this downturn, the Bank stressed the Economic Factor Adjustment (EFA) used in determining the impairment provision for loans and advances. Individually Significant Loan (ISL) customers were carefully evaluated for significant increase in credit risk indicators and management overlays were used for the stressed industries by ensuring the credit risk of those customers are identified in the Financial Statements adequately. Accordingly, Rs. 49.5 billion of impairment provision for loans and advances was charged to statement of income during the period.

Impairment for investment instruments which are alarming for impairment are also provided for in line with the CBSL guidelines and SLFRS 09. In view of that, default risk of the investments in foreign currency denominated sovereign instruments were considered in line with the recent downgrade announced for sovereign rating as “Restricted Default” and considerable level of ECL factor was assigned providing Rs. 14.2 billion impairment charge for those investments (purely for the increase in ECL factor). The increase in impairment charge for the same due to exchange rate amounted to Rs. 21.9 billion and has been net off against the revaluation gains of such instruments recorded under other operating income.

The net Stage 3 impairment loans to net loans stood at 5.50% as of end June 2022 against 5.08% reported at the end December 2021, the slight increase is due to capturing the potential risk customers on prudent basis and recording under stage 3 ensuring the proactive measures are taken throughout the period by way of providing for possible losses, continuous monitoring and revival actions.

Operating Expenses

The operating expenses of Rs. 21.5 billion consists of personnel costs, assets maintenance, deposit insurance and other overhead expenses. YoY increase of 14% has been reported in operating expenses due to increase in personnel expenses as the Bank ensures the safety and well-being of the employees in this trying times. However, the Bank always observant on effective cost management strategies and was able to maintain the cost to income ratio below 40% over the recent years.

Taxation

VAT on financial services which is charged based on the value addition made by the financial services has a direct relationship to the PBT and emoluments showed a marginal dip of 3%. Income tax expense for the period was accounted as Rs. 5.9 billion at an effective tax rate of 27%.

The Surcharge tax of Rs. 6.7 billion was deducted from the equity as per the Surcharge Tax Act No.14 of 2022 certified on 08th April 2022. The Bank has already effected the payment of Rs. 3.4 billion for the 1st installment which was due on 20th April 2022 and the liability to pay the balance amount has been recognized under current tax liability as of end June 2022.

Financial Position

During the period the Bank's total assets grew by 17% and reached Rs. 4.5 trillion, preserving its industry leadership. The other key contributive factor is growth in loans and the investment book which denotes about 92% of the assets of the Bank. However, the increase in foreign currency assets in rupee terms due to foreign currency depreciation is also needed to factor.

Loans and Advances

The gross loans and advances showed a marginal growth of 7% during 1H-2022 and stood at Rs. 2.7 trillion due to low credit appetite in line with the sluggish movement in the economy. The lending to private sector grew by 12% during the period and the Bank continued to extend its support towards business revival. Focusing more on maintaining the portfolio quality and with a view to addressing transforming of non-performing facilities in to hardcore level, the Bank setup a Business Revival unit during the last year and continued to support the revival of the customers. The Bank maintains adequate coverage for the expected losses and the provision reserve built so far covers the 9% of the total loan book for expected losses.

Investments

The Banks financial investments portfolio denotes 35% of its total assets and comprises mainly with Government Treasury Bills and Bonds. The Bank holds investments in Sri Lanka Development Bonds and International Sovereign Bonds which are denominated in foreign currency and as mentioned afore impairment provision has been provided against those investments by capturing the foreign currency risk.

During the period under review, CA Sri Lanka issued a "Statement of Alternative Treatment (SoAT) on Reclassification of Debt Portfolio" and as per the guidelines given the Bank reclassified Rs.12.7 billion worth of Treasury Bonds to Amortized Cost from FVTOCI.

Deposit Base

The Bank's deposit base during the year has increased to Rs. 3.2 trillion with a 13% growth over end December 2021 and 68% of the Deposit base comprises of local currency deposits. The Balance 32% which denotes foreign currency deposits stood at Rs. 1,026.1 billion as of end June 2022 and the foreign currency deposit base in rupee terms showed an increase due to rupee depreciation. Current and Saving deposit (CASA) base which generates funds at low cost represents 32%.

Key Performance Indicators

Return on Assets (ROA) ratio of the Bank stood at 1.1% while reporting a 14.7% Return on Equity (ROE) ratio. Both these ratios showed a decline comparing to previous year due to deterioration in the bottom line. The key regulatory ratio of the Banking industry; Capital Adequacy Ratio (CAR) was maintained 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 11.6% and 14.3% respectively as of end June 2022, both of which were above the regulatory norms. Despite cash flow deferrals in loan installments, the Bank was able to maintain a better trade-off between the liquid assets and its liabilities. All liquidity ratios were maintained on safe zone.

During the year 2022 Fitch Ratings (SL) reaffirmed the Bank's National credit rating of AA- (lka) and downgraded the Long and Short-Term Foreign Currency (FC) Issuer Default Ratings (IDRs) to 'RD' from 'CC' and 'C' respectively.

The Bank's approach on service delivery has now reached more towards digital and virtual delivery channels. A greater surge was experienced in the customer adoption to those channels during the pandemic and the Bank was ready with the required infrastructure to cater this growing demand, resulting in an increase in the Bank's digital and virtual transactions. During the last year Bank added 104 new CRM machines to its service channels and the Bank has more than 1,400 digital customer touch points and more than 670 physical customer touch point island wide.

In this year also the Bank was ranked among the Top 1000 Banks of the world by "The Banker" magazine and the country ranking is No.01.

STATEMENT OF PROFIT OR LOSS

1

Rs. 000

30 June	Bank						Group					
	For the period ended			For the quarter ended			For the period ended			For the quarter ended		
	2022	2021	Change %	2022	2021	Change %	2022	2021	Change %	2022	2021	Change %
Total income	231,886,427	136,621,448	69.7	126,911,287	69,031,041	83.8	235,337,995	139,928,440	68.2	128,395,802	70,412,022	82.3
Interest income	197,517,724	121,906,962	62.0	112,172,631	63,353,341	77.1	200,643,859	124,947,683	60.6	113,677,278	64,831,918	75.3
Interest expenses	(116,707,924)	(70,424,465)	65.7	(71,168,706)	(35,502,256)	100.5	(117,992,625)	(71,660,172)	64.7	(71,914,328)	(36,129,988)	99.0
Net interest income	80,809,800	51,482,497	57.0	41,003,925	27,851,085	47.2	82,651,234	53,287,511	55.1	41,762,950	28,701,930	45.5
Fee and commission income	10,685,803	7,422,624	44.0	5,503,452	3,461,496	59.0	10,834,225	7,552,019	43.5	5,586,724	3,517,146	58.8
Fee and commission expenses	(2,840,209)	(1,397,407)	103.2	(1,584,728)	(678,652)	133.5	(2,856,922)	(1,416,904)	101.6	(1,588,052)	(686,311)	131.4
Net fee and commission income	7,845,594	6,025,217	30.2	3,918,724	2,782,844	40.8	7,977,303	6,135,115	30.0	3,998,672	2,830,835	41.3
Net gains / (losses) from trading	14,281,087	2,494,334	472.5	7,705,958	1,458,731	428.3	14,293,777	2,499,865	471.8	7,721,785	1,442,599	435.3
Net fair value gains / (losses) from financial instruments at fair value through profit or loss	(2,439,298)	(69,346)	3,417.6	(535,183)	187,737	(385.1)	(2,617,314)	(98,776)	2,549.7	(592,431)	187,858	(415.4)
Net gains/(losses) on derecognition of financial assets	227,074	259,317	(12.4)	155,104	46,597	232.9	227,074	280,731	(19.1)	155,104	68,011	128.1
Other operating income	11,614,037	4,607,557	152.1	1,909,325	523,139	265.0	11,956,374	4,746,918	151.9	1,847,342	364,490	406.8
Total operating income	112,338,294	64,799,576	73.4	54,157,853	32,850,133	64.9	114,488,448	66,851,364	71.3	54,893,422	33,595,723	63.4
Impairment (charge) / reversal												
Loans and advances	(49,528,011)	(12,982,865)	281.5	(22,394,608)	(8,600,340)	160.4	(49,853,377)	(13,141,529)	279.4	(22,761,315)	(8,930,604)	154.9
Other financial assets	(14,242,275)	(479,870)	2,867.9	(4,539,695)	(62,913)	7,115.8	(14,747,672)	(480,901)	2,966.7	(5,038,766)	(58,566)	8,503.6
Net operating income	48,568,008	51,336,841	(5.4)	27,223,550	24,186,880	12.6	49,887,399	53,228,934	(6.3)	27,093,341	24,606,553	10.1
Operating expenses												
Personnel expenses	(13,606,086)	(11,347,156)	19.9	(7,068,360)	(5,730,291)	23.4	(14,731,412)	(12,222,959)	20.5	(7,692,178)	(6,164,668)	24.8
Depreciation and amortisation	(1,926,560)	(2,040,029)	(5.6)	(955,395)	(1,010,042)	(5.4)	(1,972,006)	(2,151,568)	(8.3)	(992,029)	(1,095,253)	(9.4)
Other expenses	(5,993,848)	(5,444,553)	10.1	(3,334,715)	(2,419,458)	37.8	(6,842,837)	(5,940,446)	15.2	(3,443,368)	(2,533,986)	35.9
Total operating expenses	(21,526,494)	(18,831,738)	14.3	(11,358,470)	(9,159,791)	24.0	(23,546,255)	(20,314,973)	15.9	(12,127,575)	(9,793,907)	23.8
Operating profit before taxes on financial services	27,041,514	32,505,103	(16.8)	15,865,080	15,027,089	5.6	26,341,144	32,913,961	(20.0)	14,965,766	14,812,646	1.0
Value Added Tax (VAT) on financial services	(5,191,331)	(5,369,331)	(3.3)	(2,890,354)	(2,689,015)	7.5	(5,249,320)	(5,480,594)	(4.2)	(2,868,483)	(2,705,970)	6.0
Operating profit after taxes on financial services	21,850,183	27,135,772	(19.5)	12,974,726	12,338,074	5.2	21,091,824	27,433,367	(23.1)	12,097,283	12,106,676	(0.1)
Share of profits / (losses) of Associate companies, net of tax	-	-	-	-	-	-	70,283	67,055	4.8	32,896	15,391	113.7
Profit before income tax	21,850,183	27,135,772	(19.5)	12,974,726	12,338,074	5.2	21,162,107	27,500,422	(23.0)	12,130,179	12,122,067	0.1
Income tax expense	(5,935,664)	(5,065,528)	17.2	(2,524,359)	(3,168,719)	(20.3)	(6,026,280)	(5,134,795)	17.4	(2,549,549)	(3,147,658)	(19.0)
Profit for the period	15,914,519	22,070,244	(27.9)	10,450,367	9,169,355	14.0	15,135,827	22,365,627	(32.3)	9,580,630	8,974,409	6.8
Profit attributable to:												
Equity holder of the Bank	15,914,519	22,070,244	(27.9)	10,450,367	9,169,355	14.0	15,260,187	22,302,680	(31.6)	9,647,365	9,017,915	7.0
Non controlling interest	-	-	-	-	-	-	(124,360)	62,947	(297.6)	(66,735)	(43,506)	53.4
Profit for the period	15,914,519	22,070,244	(27.9)	10,450,367	9,169,355	14.0	15,135,827	22,365,627	(32.3)	9,580,630	8,974,409	6.8
Earnings per share:												
Basic earnings per share (Rs.)	636.58	882.81	(27.9)	418.01	366.77	14.0	610.41	892.11	(31.6)	385.89	360.72	7.0
Diluted earnings per share (Rs.)	636.58	882.81	(27.9)	418.01	366.77	14.0	610.41	892.11	(31.6)	385.89	360.72	7.0

STATEMENT OF COMPREHENSIVE INCOME

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Rs. 000

30 June	Bank						Group					
	For the period ended			For the quarter ended			For the period ended			For the quarter ended		
	2022	2021	Change %	2022	2021	Change %	2022	2021	Change %	2022	2021	Change %
Profit for the period	15,914,519	22,070,244	(27.9)	10,450,367	9,169,355	14.0	15,135,827	22,365,627	(32.3)	9,580,630	8,974,409	6.8
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	7,938,546	784,944	911.4	2,890,995	300,918	860.7	10,114,006	1,232,703	720.5	3,400,388	322,206	955.3
Net gains / (losses) on cashflow hedge instruments	13,979,271	(3,054,362)	(557.7)	12,804,173	(3,054,362)	(519.2)	13,979,271	(3,054,362)	(557.7)	12,804,173	(3,054,362)	(519.2)
Net gains / (losses) on investments in debt instruments measured at FVTOCI	1,155,885	(250,064)	(562.2)	2,287,947	(84,316)	(2,813.5)	1,136,878	(252,019)	(551.1)	2,301,420	(85,088)	(2,804.8)
Net (gains) / losses on FVTOCI financial investments reclassification to profit or loss	(5,631)	(7,651)	(26.4)	(2,878)	(2,263)	27.2	(5,631)	(7,651)	(26.4)	(2,878)	(2,263)	27.2
Deferred tax effect on net gains / (losses) on investments in debt instruments measured at FVTOCI	(189,407)	75,673	(350.3)	(504,986)	19,969	(2,628.8)	(189,407)	75,673	(350.3)	(505,236)	19,969	(2,630.1)
Share of other comprehensive income of Associate companies, net of tax	-	-	-	-	-	-	(49,957)	1,149	(4,447.9)	(21,050)	7,553	(378.7)
	22,878,664	(2,451,460)	(1,033.3)	17,475,251	(2,820,054)	(720)	24,985,160	(2,004,507)	(1,346.4)	17,976,817	(2,791,985)	(743.9)
Items that will not be reclassified to profit or loss												
Change in fair value on investments in equity instruments measured at FVTOCI	(600,210)	243,871	(346.1)	(722,833)	65,868	(1,197.4)	(709,218)	64,706	(1,196.1)	(731,596)	97,858	(847.6)
Deferred tax effect on change in fair value on investments in equity instruments measured at FVTOCI	(286,130)	39,030	(833.1)	(46,597)	(5,017)	828.8	(286,130)	39,030	(833.1)	(46,597)	(5,017)	828.8
Re-measurement of post-employment benefit obligations	-	-	-	-	-	-	683	374	82.6	(2,004)	(938)	113.6
Deferred tax effect on post-employment benefit obligations	-	(395,319)	(100.0)	-	-	-	(756)	(395,409)	(99.8)	(111)	226	(149.1)
Changes in revaluation surplus / (deficit)	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax effect on revaluation surplus / (deficit)	-	910,822	(100.0)	-	-	-	-	1,227,221	(100.0)	-	-	-
	(886,340)	798,404	(211.0)	(769,430)	60,851	(1,364.4)	(995,421)	935,922	(206.4)	(780,308)	92,129	(947.0)
Other comprehensive income for the period, net of tax	21,992,324	(1,653,056)	(1,430.4)	16,705,821	(2,759,203)	(705.5)	23,989,739	(1,068,585)	(2,345.0)	17,196,509	(2,699,856)	(736.9)
Total comprehensive income for the period	37,906,843	20,417,188	85.7	27,156,188	6,410,152	323.6	39,125,566	21,297,042	83.7	26,777,139	6,274,553	326.8
Attributable to:												
Equity holder of the Bank	37,906,843	20,417,188	85.7	27,156,188	6,410,152	323.6	39,256,682	21,243,248	84.8	26,840,955	6,317,102	324.9
Non controlling interest	-	-	-	-	-	-	(131,116)	53,794	(343.7)	(63,816)	(42,549)	50.0
Total comprehensive income for the period	37,906,843	20,417,188	85.7	27,156,188	6,410,152	323.6	39,125,566	21,297,042	83.7	26,777,139	6,274,553	326.8

As at	Bank			Group		
	30-Jun-2022	31-Dec-2021 (Audited)	Change %	30-Jun-2022	31-Dec-2021 (Audited)	Change %
Assets						
Cash and cash equivalents	121,547,877	82,647,406	47.1	122,141,662	82,313,908	48.4
Balances with Central Banks	71,497,362	74,121,781	(3.5)	71,497,362	74,121,781	(3.5)
Placements with banks	7,846,272	4,957,417	58.3	13,129,547	5,342,369	145.8
Securities purchased under resale agreements	1,277,607	2,074,474	(38.4)	1,597,885	2,976,664	(46.3)
Derivative financial instruments	48,940,138	4,342,531	1,027.0	48,940,138	4,342,531	1,027.0
Financial assets recognized through profit or loss measured at fair value	6,618,042	9,230,022	(28.3)	6,856,066	9,640,813	(28.9)
Financial assets at amortized cost						
- loans and advances	2,505,856,463	2,413,762,291	3.8	2,540,746,432	2,446,330,329	3.9
- debt and other instruments	1,555,621,642	1,082,179,876	43.7	1,560,474,547	1,082,837,662	44.1
Financial assets - measured at fair value through other comprehensive income	7,971,630	18,302,556	(56.4)	10,572,943	22,879,810	(53.8)
Investment in Subsidiary companies	8,181,138	8,181,138	-	-	-	-
Investment in Associate companies	92,988	92,988	-	615,856	595,531	3.4
Investment properties	2,414,640	2,414,640	-	106,251	107,704	(1.3)
Property, plant and equipment	32,417,968	32,757,485	(1.0)	47,131,422	46,944,191	0.4
Right of Use Asset / Leasehold properties	2,843,419	3,137,955	(9.4)	2,568,542	2,825,719	(9.1)
Intangible assets	860,229	1,039,985	(17.3)	1,078,968	1,214,591	(11.2)
Deferred tax assets	1,677,176	2,152,712	(22.1)	1,692,720	2,213,847	(23.5)
Other assets	91,014,585	61,888,586	47.1	91,868,018	63,262,306	45.2
Total assets	4,466,679,176	3,803,283,843	17.4	4,521,018,359	3,847,949,756	17.5
Liabilities						
Due to banks	12,960,818	17,936,070	(27.7)	13,489,638	18,646,339	(27.7)
Securities sold under repurchase agreements	196,974,057	162,156,413	21.5	196,191,963	161,668,335	21.4
Derivative financial instruments	32,579,037	380,328	8,466.0	32,579,037	380,328	8,466.0
Financial liabilities at amortized cost						
- due to depositors	3,252,060,870	2,866,894,010	13.4	3,278,527,991	2,886,237,094	13.6
- due to other borrowers	501,224,886	444,107,977	12.9	507,169,022	447,875,002	13.2
Debt securities issued	-	-	-	100,711	2,107,182	(95.2)
Current tax liabilities	4,806,925	647,993	641.8	5,283,189	978,532	439.9
Deferred tax liabilities	-	-	-	2,095,851	2,153,309	(2.7)
Insurance provision - Life	-	-	-	390,709	413,743	(5.6)
Insurance provision - Non life	-	-	-	638,160	526,017	21.3
Other liabilities	167,127,951	46,042,365	263.0	170,272,964	47,461,127	258.8
Subordinated liabilities	67,189,704	64,358,855	4.4	66,932,255	64,105,970	4.4
Total liabilities	4,234,924,248	3,602,524,011	17.6	4,273,671,490	3,632,552,978	17.6
Equity						
Share capital	25,000,000	25,000,000	-	25,000,000	25,000,000	-
Permanent reserve fund	14,491,000	14,491,000	-	14,491,000	14,491,000	-
OCI reserve	662,934	588,427	12.7	1,436,364	1,483,412	(3.2)
Cashflow hedge reserve	17,218,537	3,239,266	431.6	17,218,537	3,239,266	431.6
Retained earnings	145,741,949	136,739,177	6.6	146,139,200	138,104,222	5.8
Other reserves	28,640,508	20,701,962	38.3	41,603,438	31,489,432	32.1
Total equity attributable to equity holder of the Bank	231,754,928	200,759,832	15.4	245,888,539	213,807,332	15.0
Non controlling interest	-	-	-	1,458,330	1,589,446	(8.2)
Total equity	231,754,928	200,759,832	15.4	247,346,869	215,396,778	14.8
Total liabilities and equity	4,466,679,176	3,803,283,843	17.4	4,521,018,359	3,847,949,756	17.5
Contingent liabilities and commitments	1,158,351,723	879,356,475	31.7	1,160,369,533	897,771,496	29.2

STATEMENT OF CHANGES IN EQUITY- BANK

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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 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	-	-	-	-	-	-	22,070,244	22,070,244
Other comprehensive income, net of tax	-	-	100,859	(3,054,362)	784,944	910,822	(395,319)	(1,653,056)
Dividends for the period	-	-	-	-	-	-	(1,673,205)	(1,673,205)
Balance as at 30 June 2021	25,000,000	13,739,000	1,805,215	(3,054,362)	3,335,833	17,592,012	116,985,668	175,403,366
Balance as at 01 January 2022	25,000,000	14,491,000	588,427	3,239,266	3,345,420	17,356,542	136,739,177	200,759,832
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	-	15,914,519	15,914,519
Other comprehensive income, net of tax	-	-	74,507	13,979,271	7,938,546	-	-	21,992,324
Dividends for the period	-	-	-	-	-	-	(173,205)	(173,205)
Surcharge Tax	-	-	-	-	-	-	(6,738,542)	(6,738,542)
Balance as at 30 June 2022	25,000,000	14,491,000	662,934	17,218,537	11,283,966	17,356,542	145,741,949	231,754,928

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 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	-	-	-	-	-	-	22,302,680	62,947	22,365,627
Other comprehensive income, net of tax	-	-	(71,117)	(3,054,362)	1,232,703	1,227,221	(393,877)	(9,153)	(1,068,585)
Transfers to share capital	-	-	-	-	-	-	-	-	-
Dividends for the period	-	-	-	-	-	-	(1,673,205)	-	(1,673,205)
Subsidiary dividends to non controlling interest	-	-	-	-	-	-	-	(10,280)	(10,280)
Disposal of subsidiaries	-	-	-	-	-	-	(71,786)	(6,462)	(78,248)
Balance as at 30 June 2021	25,000,000	13,739,000	2,502,031	-	5,293,311	26,080,226	117,627,078	1,304,839	188,492,123
Balance as at 01 January 2022	25,000,000	14,491,000	1,483,412	3,239,266	5,186,788	26,302,644	138,104,222	1,589,446	215,396,778
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	15,260,187	(124,360)	15,135,827
Other comprehensive income, net of tax	-	-	(47,048)	13,979,271	10,114,006	-	(49,734)	(6,756)	23,989,739
Dividends for the period	-	-	-	-	-	-	(173,205)	-	(173,205)
Surcharge Tax	-	-	-	-	-	-	(7,002,270)	-	(7,002,270)
Balance as at 30 June 2022	25,000,000	14,491,000	1,436,364	17,218,537	15,300,794	26,302,644	146,139,200	1,458,330	247,346,869

For the six months ended 30 June	Bank		Group	
	2022	2021	2022	2021
Cash flows from operating activities				
Profit before income tax	21,850,183	27,135,772	21,162,107	27,500,422
Adjustments for :				
Net interest income	(80,809,800)	(51,482,497)	(82,651,234)	(53,287,511)
Dividend income	(279,268)	(24,735)	(303,646)	(24,735)
Dividends from Subsidiaries and Associates	-	(16,427)	-	-
Share of profits of Associate companies, net of tax	-	-	(70,283)	(67,055)
Change in operating assets	(498,550,771)	(315,463,466)	(509,160,253)	(316,548,660)
Change in operating liabilities	527,835,666	195,328,457	536,493,921	192,054,502
Other non cash items included in profit before tax	21,133,542	10,611,453	21,829,201	10,876,501
Other net losses/ (gains) from investing activities	2,212,224	(189,971)	2,390,240	(181,955)
	(6,608,224)	(134,101,414)	(10,309,947)	(139,678,491)
Contribution paid from defined benefit plans	(4,973,370)	(4,166,231)	(4,999,105)	(4,176,327)
Interest received	134,669,996	88,315,273	137,634,927	91,090,531
Interest paid	(58,112,561)	(83,615,356)	(59,724,687)	(84,845,569)
Dividends received	58,705	24,735	58,705	24,735
Net cash from/ (used in) operating activities before income tax	65,034,546	(133,542,993)	62,659,893	(137,585,121)
Income tax paid	(4,102,878)	(2,487,445)	(4,343,961)	(2,630,322)
Net cash from/ (used in) operating activities	60,931,668	(136,030,438)	58,315,932	(140,215,443)
Cash flows from investing activities				
Net (increase)/ decrease in financial investments at amortized cost	(129,503,959)	13,173,868	(133,699,078)	13,099,739
Net (increase)/ decrease in financial investments recognized at fair value through OCI	8,441,672	(6,713,877)	12,955,970	(6,063,043)
Purchase of property plant and equipment	(624,181)	(826,617)	(643,094)	(874,759)
Purchase of intangible assets	(39,793)	(203,648)	(39,793)	(205,657)
Dividends received	220,563	94,144	244,941	96,365
Interest received	45,359,142	29,732,218	45,431,753	29,997,680
Net cash from/ (used in) investing activities	(76,146,556)	35,256,088	(75,749,301)	36,050,325
Cash flows from financing activities				
Net increase in other borrowings	86,692,805	121,279,993	91,969,866	125,023,406
Dividends paid to Equity holder of the Bank	(173,205)	(1,673,205)	(173,205)	(1,673,205)
Dividends paid to non controlling interest	-	-	-	(10,280)
Interest payments on borrowings and debt securities	(26,847,575)	(1,815,876)	(28,442,590)	(1,821,371)
	59,672,025	117,790,912	63,354,071	121,518,550
Net increase in cash and cash equivalents during the period	44,457,137	17,016,562	45,920,702	17,353,432
Cash and cash equivalents at the beginning of the period	66,789,233	83,978,210	65,745,466	82,533,640
Cash and cash equivalents at the end of the period	111,246,370	100,994,772	111,666,168	99,887,072
Analysis of cash and cash equivalents				
Cash and cash equivalents	121,547,877	101,905,869	122,141,662	100,846,625
Bank overdrafts	(10,301,507)	(911,097)	(10,475,494)	(959,553)
Cash and cash equivalents at the end of the period	111,246,370	100,994,772	111,666,168	99,887,072

SELECTED PERFORMANCE INDICATORS
6

As at	Bank		Group	
	30-Jun-2022	31-Dec-2021	30-Jun-2022	31-Dec-2021
Net assets value per share (Rs)	9,270.20	8,030.39	9,835.54	8,552.29
Profitability				
Interest margin *	3.91%	3.28%	3.95%	3.35%
Return on assets (before tax) *	1.06%	1.27%	1.01%	1.30%
Return on equity (after tax) *	14.72%	21.03%	13.08%	20.13%
Assets Quality				
Impaired Loans (Stage 3) Ratio	5.50%	5.08%		
Impairment (Stage 3) to Stage 3 Loans Ratio	55.33%	49.07%		
Investor Information				
Debt equity (%)	45.41	51.01		
Interest cover (times)	1.60	2.85		
Memorandum Information				
Number of employees	8,269	8,337		
Number of branches	582	581		

* These ratios have been calculated annualizing the 1H - 2022 figures.

KEY REGULATORY RATIOS - CAPITAL AND LIQUIDITY

As at	Bank		Group	
	30-Jun-2022	31-Dec-2021	30-Jun-2022	31-Dec-2021
Regulatory Capital (Rs. ' 000)				
Common equity Tier 1	182,705,899	176,537,824	189,862,933	182,294,819
Total Tier I capital	201,055,899	194,887,824	208,212,933	200,644,819
Total capital	249,271,741	243,033,817	257,261,368	249,799,365
Regulatory Capital Ratios (%)				
Common equity Tier 1 capital ratio (Minimum requirement, Basel III - 8.50%)	10.52%	12.91%	10.51%	12.83%
Total Tier I capital ratio (Minimum requirement, Basel III - 10.00%)	11.58%	14.25%	11.53%	14.13%
Total capital ratio (Minimum requirement, Basel III - 14.00%)	14.35%	17.77%	14.24%	17.59%
Leverage ratio (Minimum requirement - 3%)	4.13%	4.68%	4.23%	4.76%
Regulatory Liquidity				
Statutory liquid assets,				
- Domestic banking unit (Rs. ' 000)	701,933,607	715,407,611		
- Off-shore banking unit (US\$ 000)	460,449	701,065		
Statutory liquid assets ratio, (minimum requirement, 20%)				
- Domestic banking unit	21.70%	24.97%		
- Off-shore banking unit	23.32%	25.34%		
Total Stock of High Quality Liquid Assets (Rs. ' 000)	414,522,660	531,095,153		
Liquidity coverage ratio - Rupee (Minimum requirement 2022-90%, 2021-100%)	154.00%	169.00%		
Liquidity coverage ratio - All currency (Minimum requirement 2022-90%, 2021-100%)	90.56%	111.45%		
Net stable funding ratio (Minimum requirement 2022-90%, 2021-100%)	125.00%	125.00%		

SHARE INFORMATION

Shareholder	30-Jun-2022		31-Dec-2021	
	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 2021. 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 2021.
- 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. At present the Bank has proactively adjusted to the new normal environment and continuous 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.

The Bank closely monitors and considers the impact of present turmoil in the economy to business operations and performance. In order to capture the expected losses from loans and advances due to present economic condition, the Bank adjusted the Economic Factor Adjustment (EFA) which is used in calculating the impairment provision for loans and advances. Individually Significant Loan (ISL) customers were carefully evaluated for significant increase in credit risk indicators and management overlays were used for the stressed industries by ensuring the credit risk of those customers are identified in the Financial Statements adequately.

Impairment for investments in foreign currency denominated sovereign exposures have been made by considering the recent downgrade on the Sovereign rating to “Restricted Default” level. Accordingly, significant increase in impairment provision for foreign currency denominated sovereign instruments were resulted during the period under concern.

- VI. 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.
- VII. The Bank is liable for the surcharge tax impost under the Surcharge Tax Act, No. 14 of 2022 certified on 08th April 2022. According to the Act, the surcharge tax is 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 Rs. 2,000 million and shall be deemed to be an expenditure in the Financial Statements relating to the year of assessment 2020/2021.

Total surcharge tax for the Bank amounted to Rs 6.7 billion and the 1st installment of Rs. 3.4 billion was paid on 20th April 2022. The final installment was due on 20th July 2022 and this amount has been recognized as a liability under current tax liabilities in these financial statements.

VIII. Reclassification of investments in debts

During the period under review, CA Sri Lanka issued a “Statement of Alternative Treatment (SoAT) on Reclassification of Debt Portfolio”, considering the unprecedented changes in the macro-economic conditions. This SoAT provides a temporary practical expedient to permit the entities to reclassify the debt portfolio measured at Fair Value through Other Comprehensive Income (FVTOCI) to Amortised Cost (AC) and this is a one off option.

The Bank has exercised this option and reclassified its FVTOCI Treasury Bond portfolio as at 1st April 2022 to AC, during the second quarter of 2022.

Net impact to the financial position and other comprehensive income due to reclassification is given below.

30 June 2022	Financial position		Charge/(Reversal) to OCI / Equity
	Under AC	Under FVTOCI	
Treasury Bonds	12,756	8,928	(3,828)
Deferred tax asset	-	749	749
Total			(3,079)

[Rs. Mn]

- IX. The exchange impact on impairment charges on loans and advances and Government Securities denominated in foreign currency was recognized in Other Operating Income where the corresponding exchange gains are recognized.
- X. No circumstances have arisen and no material events have occurred since the reporting date, which require disclosures or adjustments to the financial statements.
- XI. 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 June 2022 and its profit for the six-month period ended 30 June 2022.

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

10 August 2022
Colombo

As at 30 June	2022				
	Fair value through profit or loss	Amortised cost	Fair value through OCI	Others	Total
Financial assets					
Cash and cash equivalents	-	121,547,877	-	-	121,547,877
Balances with Central Banks	-	71,497,362	-	-	71,497,362
Placements with banks	-	7,846,272	-	-	7,846,272
Securities purchased under resale agreements	-	1,277,607	-	-	1,277,607
Derivative financial instruments	48,940,138	-	-	-	48,940,138
Loans and advances	-	2,505,856,463	-	-	2,505,856,463
Financial investments	6,618,042	1,555,621,642	7,971,630	-	1,570,211,314
Total financial assets	55,558,180	4,263,647,223	7,971,630	-	4,327,177,033
Other assets				139,502,143	139,502,143
Total assets	55,558,180	4,263,647,223	7,971,630	139,502,143	4,466,679,176

	Fair value through profit or loss	Amortised Cost	Others	Total
Financial liabilities				
Due to banks	-	12,960,818	-	12,960,818
Securities sold under repurchase agreements	-	196,974,057	-	196,974,057
Derivative financial instruments	32,579,037	-	-	32,579,037
Other financial liabilities held for trading	-	-	-	-
Due to depositors	-	3,252,060,870	-	3,252,060,870
Other borrowings	-	501,224,886	-	501,224,886
Debt securities issued	-	-	-	-
Subordinated liabilities	-	67,189,704	-	67,189,704
Total financial liabilities	32,579,037	4,030,410,335	-	4,062,989,372
Other liabilities	-	-	171,934,876	171,934,876
Total liabilities	32,579,037	4,030,410,335	171,934,876	4,234,924,248

As at 31 December	2021				
	Fair value through profit or loss	Amortised cost	Fair value through OCI	Others	Total
Financial assets					
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
Total financial assets	13,572,553	3,659,743,245	18,302,556	-	3,691,618,354
Other assets	-	-	-	111,665,489	111,665,489
Total assets	13,572,553	3,659,743,245	18,302,556	111,665,489	3,803,283,843

	Fair value through profit or loss	Amortised Cost	Others	Total
Financial liabilities				
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
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
Total financial liabilities	380,328	3,555,453,325	-	3,555,833,653
Other liabilities	-	-	46,690,358	46,690,358
Total liabilities	380,328	3,555,453,325	46,690,358	3,602,524,011

As at 30 June	2022				
	Fair value through profit or loss	Amortised cost	Fair value through OCI	Others	Total
Financial assets					
Cash and cash equivalents	-	122,141,662	-	-	122,141,662
Balances with Central Banks	-	71,497,362	-	-	71,497,362
Placements with banks	-	13,129,547	-	-	13,129,547
Securities purchased under resale agreements	-	1,597,885	-	-	1,597,885
Derivative financial instruments	48,940,138	-	-	-	48,940,138
Loans and advances	-	2,540,746,432	-	-	2,540,746,432
Financial investments	6,856,066	1,560,474,547	10,572,943	-	1,577,903,556
Total financial assets	55,796,204	4,309,587,435	10,572,943	-	4,375,956,582
Other assets	-	-	-	145,061,777	145,061,777
Total assets	55,796,204	4,309,587,435	10,572,943	145,061,777	4,521,018,359

	Fair value through profit or loss	Amortised cost	Others	Total
Financial liabilities				
Due to banks	-	13,489,638	-	13,489,638
Securities sold under repurchase agreements	-	196,191,963	-	196,191,963
Derivative financial instruments	32,579,037	-	-	32,579,037
Other financial liabilities held for trading	-	-	-	-
Due to depositors	-	3,278,527,991	-	3,278,527,991
Other borrowings	-	507,169,022	-	507,169,022
Debt securities issued	-	100,711	-	100,711
Subordinated liabilities	-	66,932,255	-	66,932,255
Total financial liabilities	32,579,037	4,062,411,580	-	4,094,990,617
Other liabilities	-	-	178,680,873	178,680,873
Total liabilities	32,579,037	4,062,411,580	178,680,873	4,273,671,490

As at 31 December	2021				
	Fair value through profit or loss	Amortised cost	Fair value through OCI	Others	Total
Financial assets					
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 to customers	-	2,446,330,329	-	-	2,446,330,329
Financial investments	9,640,813	1,082,837,662	22,879,810	-	1,115,358,285
Total financial assets	13,983,344	3,693,922,713	22,879,810	-	3,730,785,867
Other assets	-	-	-	117,163,889	117,163,889
Total assets	13,983,344	3,693,922,713	22,879,810	117,163,889	3,847,949,756

	Fair value through profit or loss	Amortised cost	Others	Total
Financial liabilities				
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
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
Total financial liabilities	380,328	3,580,639,922	-	3,581,020,250
Other liabilities	-	-	51,532,729	51,532,729
Total liabilities	380,328	3,580,639,922	51,532,729	3,632,552,979

Description	Note	Interest payable frequency	Issue date	Maturity date	Coupon rate		Interest Rate of comparable Government security	Amount	
					30.06.2022	31.12.2021		Bank	
					%	%		30.06.2022	31.12.2021
							Rs '000	Rs '000	
Sri Lanka rupee debentures									
Fixed interest rate									
Listed, Unsecured, subordinated, redeemable debentures	a	Annually	25.10.2013	24.10.2022	13.25	13.25	20.20	1,306,052	1,227,205
Listed, Unsecured, subordinated, redeemable debentures	a	Annually	25.10.2013	24.10.2023	13.75	13.75	20.82	1,746,632	1,637,573
Listed, Unsecured, subordinated, redeemable debentures	a	Annually	22.09.2014	21.09.2022	8.25	8.25	19.82	1,949,250	1,873,393
Listed, Unsecured, subordinated, redeemable debentures	a	Annually	06.10.2015	05.10.2023	9.50	9.50	20.89	1,261,484	1,205,286
Listed, Unsecured, subordinated, redeemable debentures	a	Annually	29.12.2016	28.12.2024	12.75	12.75	21.41	832	784
Unlisted, Unsecured, subordinated, redeemable debentures		Annually	29.12.2017	28.12.2022	12.50	12.50	20.06	5,304,254	5,003,321
Unlisted, Unsecured, subordinated, redeemable debentures		Annually	29.12.2017	28.12.2025	12.75	12.75	21.39	5,310,065	5,003,300
Unlisted, Unsecured, subordinated, redeemable debentures		Annually	31.07.2018	30.07.2026	12.00	12.00	22.67	7,433,274	7,026,897
Unlisted, Unsecured, subordinated, redeemable debentures		Annually	03.12.2018	02.12.2023	12.00	12.00	21.86	5,656,606	5,347,308
Unlisted, Unsecured, subordinated, redeemable debentures		Annually	27.06.2019	26.06.2024	11.75	11.75	20.62	3,003,625	3,176,646
Unlisted, Unsecured, subordinated, redeemable debentures		Annually	17.07.2019	16.07.2024	11.80	11.80	20.87	1,166,885	1,104,096
Unlisted, Unsecured, subordinated, redeemable debentures		Annually	18.07.2019	17.07.2024	11.80	11.80	20.87	2,446,834	2,315,172
Unlisted, Unsecured, subordinated, redeemable debentures		Annually	23.07.2019	22.07.2024	11.80	11.80	20.62	2,775,829	2,626,523
Unlisted, Unsecured, subordinated, redeemable debentures		Annually	24.07.2019	23.07.2024	11.50	11.50	20.62	442,948	419,672
Unlisted, Unsecured, subordinated, redeemable debentures		Annually	26.07.2019	25.07.2027	11.75	11.75	21.64	67,810	64,176
								39,872,380	38,031,352
Floating interest rate									
Listed, Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 50 basis points)	a/b	Semi annually	22.09.2014	21.09.2022	11.55	6.45	19.82	31	31
Listed, Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 125 basis points)	a/b	Semi annually	06.10.2015	05.10.2023	13.50	6.35	20.89	2,103,726	2,070,535
Listed, Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 125 basis points)	a/b	Semi annually	29.12.2016	28.12.2024	23.15	9.35	21.41	20	20
Unlisted, Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 250 basis points with a floor rate of 9.0%)	a/b	Semi annually	22.11.2021	22.11.2026	27.19	10.53	21.54	5,549,103	5,459,537.00
								7,652,880	7,530,123
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	-	5,468,179	5,226,898
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	9.66	9.00	-	10,549,085	10,076,290
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	9.00	-	3,647,180	3,494,192
								19,664,444	18,797,380
								67,189,704	64,358,855

Notes

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

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

	01-Jan-2022 to 30-Jun-2022 Rs.	01-Jan-2021 to 31-Dec-2021 Rs.
Market Value		
BoC Debentures 2013/2023 ,		
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, 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-Jun-2022 %	31-Dec-2021 %
Interest yield as at date of last trade done		
BoC Debentures 2013/2023 ,		
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 ,		
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 ,		
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 ,		
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	
	30.06.2022 Rs '000	31.12.2021 Rs '000	30.06.2022 Rs '000	31.12.2021 Rs '000
Gross loans and receivables	2,745,247,279	2,576,668,173	2,785,123,467	2,612,567,332
Stage 1	2,222,325,222	2,170,496,529	2,240,715,703	2,186,408,859
Stage 2	195,864,092	155,013,917	200,732,322	159,836,766
Stage 3	327,057,965	251,157,727	343,675,442	266,321,707
Less : Accumulated impairment	239,390,816	162,905,882	244,377,035	166,237,003
Stage 1	41,928,052	24,417,936	42,854,339	24,541,662
Stage 2	16,374,976	15,122,165	16,914,903	15,247,177
Stage 3	181,087,788	123,365,781	184,607,793	126,448,164
Net loans and advances	2,505,856,463	2,413,762,291	2,540,746,432	2,446,330,329

2) Loans and advances to customers - By product

Local currency	Bank		Group	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
As at				
Overdrafts	270,621,518	552,351,927	270,518,521	552,155,012
Term loans	775,720,311	683,740,104	783,505,593	688,030,779
Lease rentals receivable	19,437,865	24,150,424	32,401,741	37,846,935
Credit cards	6,471,698	6,151,267	6,471,698	6,151,267
Pawning	93,223,188	82,975,731	98,682,778	88,230,314
Housing loans	80,798,345	79,420,418	80,832,087	79,459,457
Trade finance	48,618,665	41,550,553	52,752,368	45,133,465
Personal loans	444,600,189	446,225,539	445,977,100	448,254,975
Staff loans	25,995,074	23,528,091	26,193,521	23,737,202
Foreclosed properties	2,953,170	3,089,237	2,953,170	3,089,237
Other loans	43,105,728	40,212,753	43,105,728	40,212,753
Total local currency loans and advances	1,811,545,751	1,983,396,044	1,843,394,305	2,012,301,396
Foreign currency				
Overdrafts	66,619,454	35,597,630	67,038,769	35,912,095
Term loans	785,958,337	505,852,356	791,349,575	510,774,683
Trade finance	71,967,575	46,478,224	74,175,333	48,231,867
Housing loans	354,008	367,703	354,008	367,703
Staff loans	32,280	16,247	41,603	19,619
Foreclosed properties	9,469	5,135	9,469	5,135
Other loans	8,760,405	4,954,834	8,760,405	4,954,834
Total foreign currency loans and advances	933,701,528	593,272,129	941,729,162	600,265,936
Total loans and advances to customers	2,745,247,279	2,576,668,173	2,785,123,467	2,612,567,332

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)	24,417,936	15,122,165	123,365,781	162,905,882
Charge / (reversal) during the period	9,348,437	(861,827)	41,818,036	50,304,646
Amount recovered during the period	-	-	(776,635)	(776,635)
Exchange rate variance on foreign currency impairment	8,161,679	1,764,772	15,750,343	25,676,794
Amount written-off during the period	-	-	(86,082)	(86,082)
Other movements	-	349,866	1,016,345	1,366,211
Closing balance as at 30 June 2022	41,928,052	16,374,976	181,087,788	239,390,816
	Group			
	Stage 1	Stage 2	Stage 3	Total
Opening balance (01 January)	24,541,662	15,247,177	126,448,164	166,237,003
Charge / (reversal) during the period	10,150,998	(446,912)	40,925,926	50,630,012
Amount recovered during the period	-	-	(776,635)	(776,635)
Exchange rate variance on foreign currency impairment	8,161,679	1,764,772	15,750,343	25,676,794
Amount written-off during the period	-	-	(86,082)	(86,082)
Other movements	-	349,866	2,346,077	2,695,943
Closing balance as at 30 June 2022	42,854,339	16,914,903	184,607,793	244,377,035

Rs. '000

4) Contingent liabilities and commitments

As at	Bank		Group	
	30-Jun-2022	31-Dec-2021	30-Jun-2022	31-Dec-2021
By product - Domestic currency				
Acceptances and documentary credits	311,619,741	258,672,506	311,619,741	258,672,506
Bills for collection	41,121,439	24,201,496	41,121,439	24,201,496
Forward exchange contracts	178,619,065	123,308,995	178,619,065	123,308,995
Guarantees	162,004,978	151,518,597	162,105,878	151,677,096
Undrawn and undisbursed facilities	168,749,653	153,080,622	168,749,653	153,080,636
Other commitments	17,068,616	17,061,108	17,264,164	17,855,292
Total domestic currency contingent liabilities and commitments	879,183,492	727,843,324	879,479,940	728,796,021
By product - Foreign currency				
Acceptances and documentary credits	24,468,561	15,742,566	24,905,435	16,250,430
Bills for collection	13,954,413	4,939,970	13,954,413	4,939,970
Forward exchange contracts	96,257,842	3,288,463	96,257,842	3,288,463
Guarantees	13,356,165	5,830,333	13,356,165	5,830,333
Undrawn and undisbursed facilities	20,530,237	11,159,452	20,530,237	11,275,683
Other commitments	110,601,013	110,552,367	111,885,502	127,390,596
Total foreign currency contingent liabilities and commitments	279,168,231	151,513,151	280,889,594	168,975,475
Total Contingent liabilities and commitments	1,158,351,723	879,356,475	1,160,369,533	897,771,496

5) Financial liabilities at amortised cost

Due to depositors - By product

As at	Bank		Group	
	30-Jun-2022	31-Dec-2021	30-Jun-2022	31-Dec-2021
Local currency				
Demand deposits (current accounts)	145,916,225	177,165,938	145,347,695	176,742,512
Savings deposits	619,658,276	680,053,160	619,655,755	680,964,033
Time deposits	1,448,010,216	1,388,690,770	1,469,580,732	1,405,966,371
Other deposits	12,329,280	7,824,661	12,329,280	7,832,191
Total local currency deposits	2,225,913,997	2,253,734,529	2,246,913,462	2,271,505,107
Foreign currency				
Demand deposits (current accounts)	53,968,624	34,897,193	55,314,659	35,562,840
Savings deposits	222,156,679	130,077,505	223,458,581	130,843,659
Time deposits	748,373,408	446,734,788	751,193,127	446,875,493
Other deposits	1,648,162	1,449,995	1,648,162	1,449,995
Total foreign currency deposits	1,026,146,873	613,159,481	1,031,614,529	614,731,987
Total due to depositors	3,252,060,870	2,866,894,010	3,278,527,991	2,886,237,094

SEGMENTAL ANALYSIS - GROUP

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Rs. '000												
For the six months ended 30th June	Retail banking		Corporate and Offshore banking		International, treasury and investment		Group functions		Unallocated		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenue from external customers:												
Net interest income	20,855,051	23,227,297	27,732,448	12,084,103	24,448,966	15,898,189	1,841,433	1,805,013	7,773,336	272,909	82,651,234	53,287,511
Net fee and commission income	5,522,898	4,137,053	1,792,224	1,075,940	149,454	452,123	131,709	109,898	381,018	360,101	7,977,303	6,135,115
Other income	1,779,335	305,369	23,091,944	1,598,992	(1,202,577)	5,281,454	177,011	136,876	14,198	106,047	23,859,911	7,428,739
Total operating income	28,157,284	27,669,720	52,616,616	14,759,035	23,395,843	21,631,766	2,150,153	2,051,787	8,168,552	739,057	114,488,448	66,851,364
Expenses :												
Impairment (charge)/ reversal for loans and other losses	(7,637,758)	(4,739,083)	(39,153,697)	(7,321,067)	(16,724,267)	(1,175,505)	(830,763)	(159,695)	(254,564)	(227,080)	(64,601,049)	(13,622,430)
Total operating expenses	(16,443,685)	(11,904,960)	(3,231,345)	(3,983,840)	(1,575,801)	(2,555,531)	(2,019,761)	(1,483,234)	(275,663)	(387,408)	(23,546,255)	(20,314,973)
Total expenses	(24,081,443)	(16,644,043)	(42,385,042)	(11,304,907)	(18,300,068)	(3,731,036)	(2,850,524)	(1,642,929)	(530,227)	(614,488)	(88,147,304)	(33,937,403)
Operating profit before taxes on financial services	4,075,841	11,025,677	10,231,574	3,454,128	5,095,775	17,900,730	(700,371)	408,858	7,638,325	124,569	26,341,144	32,913,962
Taxes on financial services											(5,249,320)	(5,480,594)
Operating profit after taxes on financial services											21,091,824	27,433,367
Share of profits/ (losses) of associate companies, net of tax							70,283	67,055			70,283	67,055
Profit/(loss) before income tax	4,075,842	11,025,677	10,231,574	3,454,128	5,095,775	17,900,730	(633,315)	475,913	7,638,328	124,569	21,162,107	27,500,423
Income tax expense											(6,026,280)	(5,134,795)
Profit for the period											15,135,827	22,365,627
Total assets	1,048,780,268	946,035,107	1,544,161,598	1,399,122,513	1,710,219,046	810,991,890	54,339,183	42,448,063	163,518,265	148,478,373	4,521,018,359	3,347,075,946
Total liabilities	974,032,577	895,821,362	1,439,874,244	1,324,859,750	1,651,620,457	767,945,982	38,747,242	29,359,302	169,396,970	140,597,423	4,273,671,490	3,158,583,823
Cash flows from / (used in) operating activities	11,846,263	(58,085,627)	26,550,914	(30,982,887)	19,097,838	(45,410,462)	(2,615,736)	(4,185,005)	3,436,653	(1,551,461)	58,315,932	(140,215,443)
Cash flows from / (used in) investing activities	(17,879,280)	10,092,966	(26,324,386)	14,926,820	(29,155,282)	8,652,230	397,255	794,237	(2,787,608)	1,584,071	(75,749,301)	36,050,325
Cash flows from / (used in) financing activities	30,408,258	68,906,830	17,850,145	35,845,061	9,788,920	8,462,003	3,682,046	3,727,638	1,624,702	4,577,019	63,354,071	121,518,550
Capital expenditure to non-current assets											682,887	1,080,416
Depreciation and amortization expenses	443,109	584,011	655,030	863,713	751,358	500,645	45,446	111,539	77,063	91,659	1,972,006	2,151,568

During the period from 01.01.2015 to 30.06.2022

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.							