



**INTERIM FINANCIAL STATEMENTS**  
**for the three-month period ended 31 March 2023**  
**(Un-audited)**

**Bank of Ceylon**

Fitch Ratings: A(lka)

## Financial commentary for 1Q -2023

- Profit Before Tax: Rs. 3.3 billion
- Net Interest income of Rs. 18.6 billion
- Total Assets base of Rs. 4.1 trillion
- Total Deposit base of Rs. 3.3 trillion
- Gross loans and advances of Rs. 2.4 trillion

The Bank has reported Rs. 3.3 billion of Profit Before Tax (PBT) for the three-month period ended 31 March 2023 amidst the unprecedented challenges continued to prevail from previous year.

The interest income of the Bank grew by 61% to Rs. 137.8 billion primarily due to the increase in AWPLR comparing to the corresponding period of the previous year. However, interest expenses grew by 162% as the funding mix has been repriced at higher rates, resulting high cost of funding and led to 53% decline in net interest income by Rs. 21.2 billion compared to 1Q -2022 since the Bank has not transferred the full impact of the increase in the market interests to its loyal customers in order to revive their businesses in this trying time despite many headwinds to the Bank's current operating environment.

Net fee and commission income amounted to Rs. 4.4 billion with 13% growth mainly backed by increase in commission income from card related transactions and travel and remittance related services. Income from trading and investment activities and other operating income resulted in a negative note due to exchange loss reported during 1Q- 2023 in line with the 10% LKR appreciation.

Concerted efforts on supporting the customers to revive through the never expected economic turmoil experienced during the previous years helped the Bank to manage its stage 3 loan ratio at 5.34% as of end 1Q-2023 (31 December 2022: 5.27%) and during the quarter, the impairment provision of Rs. 1.2 billion was charged for loans and advances. Management overlays were applied to identify the risk elevated industries which results the significant increase in credit risk due to spillover of economic turmoil prevailing the country and exposures to those industries were assessed as underperforming to account for life time credit loss on prudent basis. Further, the Economic Factor Adjustment (EFA) which is used in calculating the expected losses for collectively assessed portfolios were also adjusted to capture the current economic context. Nevertheless, the Individually Significant Customers (ISL customers) were also assessed critically given the high degree of uncertainty and extraordinary circumstances in the short-term and mid-term economic conditions mainly caused by the continuous disruptions to businesses and prudent level of ISL impairment provision were made.

Operating expenses for the quarter reported an increase of 16% in the backdrop of cost escalation due to inflation. Accordingly, the Bank has reported the PAT of Rs. 3.3 billion with 39% decline over 1Q-2022.

At the end of 1Q-2023, the Bank's asset base recorded a negative growth of 6% reflecting the impact of LKR appreciation as around 30% of total assets comprises foreign currency denominated Loans and advances and Investments.

The Bank has managed the liquidity position of the Bank by strategically handling its deposit base amidst the high competition prevailed in the market and the Bank's deposit base stood at Rs. 3.3 trillion as of end March 2023.

Despite many adverse headwinds, the Bank has complied with regulatory capital requirements above the stipulated norms by maintaining the Tier I Capital Adequacy Ratio of 12.74% and Total Capital Adequacy Ratio of 15.66%. Meanwhile, all the liquidity ratios also improved given the positive liquidity vibes prevailed in the market during the period under review.

For the period ended 31 March	Bank			Group		
	2023	2022	Change %	2023	2022	Change %
<b>Total income</b>	<b>139,228,282</b>	<b>104,975,140</b>	<b>32.6</b>	<b>140,932,794</b>	<b>106,942,193</b>	<b>31.8</b>
Interest income	137,777,886	85,345,093	61.4	139,088,174	86,966,581	59.9
Interest expenses	(119,124,156)	(45,539,218)	161.6	(119,354,628)	(46,078,297)	159.0
<b>Net interest income</b>	<b>18,653,730</b>	<b>39,805,875</b>	<b>(53.1)</b>	<b>19,733,546</b>	<b>40,888,284</b>	<b>(51.7)</b>
Fee and commission income	6,533,242	5,182,351	26.1	6,624,757	5,247,501	26.2
Fee and commission expenses	(2,098,169)	(1,255,481)	67.1	(2,099,203)	(1,268,870)	65.4
<b>Net fee and commission income</b>	<b>4,435,073</b>	<b>3,926,870</b>	<b>12.9</b>	<b>4,525,554</b>	<b>3,978,631</b>	<b>13.7</b>
Net gains/ (losses) from trading	(3,461,930)	6,575,129	(152.7)	(3,412,148)	6,571,992	(151.9)
Net fair value gains/ (losses) from financial instruments at fair value through profit or loss	565,442	(1,904,115)	(129.7)	576,822	(2,024,883)	(128.5)
Net gains/(losses) on derecognition of financial assets	597,315	71,970	729.9	603,803	71,970	739.0
Other operating income	(2,783,673)	9,704,712	(128.7)	(2,548,614)	10,109,032	(125.2)
	<b>(5,082,846)</b>	<b>14,447,696</b>	<b>(135.2)</b>	<b>(4,780,137)</b>	<b>14,728,111</b>	<b>(132.5)</b>
<b>Total operating income</b>	<b>18,005,957</b>	<b>58,180,441</b>	<b>(69.1)</b>	<b>19,478,963</b>	<b>59,595,026</b>	<b>(67.3)</b>
Impairment (charge)/ reversal						
Loans and advances	(1,233,531)	(27,133,403)	(95.5)	(1,293,611)	(27,092,062)	(95.2)
Other financial assets	165,307	(9,702,580)	(101.7)	165,307	(9,708,906)	(101.7)
<b>Net operating income</b>	<b>16,937,733</b>	<b>21,344,458</b>	<b>(20.6)</b>	<b>18,350,659</b>	<b>22,794,058</b>	<b>(19.5)</b>
<b>Operating expenses</b>						
Personnel expenses	(6,822,135)	(6,537,726)	4.4	(7,415,997)	(7,039,234)	5.4
Depreciation and amortisation	(883,325)	(971,165)	(9.0)	(952,852)	(979,977)	(2.8)
Other expenses	(4,071,682)	(2,659,133)	53.1	(4,413,550)	(3,399,469)	29.8
<b>Total operating expenses</b>	<b>(11,777,142)</b>	<b>(10,168,024)</b>	<b>15.8</b>	<b>(12,782,399)</b>	<b>(11,418,680)</b>	<b>11.9</b>
<b>Operating profit before taxes on financial services</b>	<b>5,160,591</b>	<b>11,176,434</b>	<b>(53.8)</b>	<b>5,568,260</b>	<b>11,375,378</b>	<b>(51.0)</b>
<b>Taxes on Financial Services</b>						
Value Added Tax (VAT) on financial services	(1,578,075)	(2,300,977)	(31.4)	(1,592,543)	(2,380,837)	(33.1)
Social Security Contribution Levy (SSCL)	(252,401)	-	-	(254,541)	-	-
<b>Operating profit after taxes on financial services</b>	<b>3,330,115</b>	<b>8,875,457</b>	<b>(62.5)</b>	<b>3,721,176</b>	<b>8,994,541</b>	<b>(58.6)</b>
Share of profits/ (losses) of Associate companies, net of tax	-	-	-	24,754	37,387	(33.8)
<b>Profit before income tax</b>	<b>3,330,115</b>	<b>8,875,457</b>	<b>(62.5)</b>	<b>3,745,930</b>	<b>9,031,928</b>	<b>(58.5)</b>
Income tax expense	(20,712)	(3,411,305)	(99.4)	(94,946)	(3,476,731)	(97.3)
<b>Profit for the period</b>	<b>3,309,403</b>	<b>5,464,152</b>	<b>(39.4)</b>	<b>3,650,984</b>	<b>5,555,197</b>	<b>(34.3)</b>
<b>Profit attributable to:</b>						
Equity holder of the Bank	3,309,403	5,464,152	(39.4)	3,663,520	5,612,822	(34.7)
Non controlling interest	-	-	-	(12,536)	(57,625)	(78.2)
<b>Profit for the period</b>	<b>3,309,403</b>	<b>5,464,152</b>	<b>(39.4)</b>	<b>3,650,984</b>	<b>5,555,197</b>	<b>(34.3)</b>
<b>Earnings per share:</b>						
Basic earnings per share (Rs.)	132.38	218.57	(39.4)	146.54	224.51	(34.7)
Diluted earnings per share (Rs.)	128.62	218.57	(41.2)	142.38	224.51	(36.6)

For the period ended 31 March	Bank			Group		
	2023	2022	Change %	2023	2022	Change %
<b>Profit for the period</b>	<b>3,309,403</b>	<b>5,464,152</b>	<b>(39.4)</b>	<b>3,650,984</b>	<b>5,555,197</b>	<b>(34.3)</b>
<b>Other comprehensive income for the period , net of tax</b>						
<b>Items that will be reclassified to profit or loss</b>						
Exchange differences on translation of foreign operations	(1,674,323)	5,047,551	(133.2)	(2,115,618)	6,713,618	(131.5)
Net gains/ (losses) on cashflow hedge instruments	(4,807,259)	1,175,098	(509.1)	(4,807,259)	1,175,098	(509.1)
Net gains/ (losses) on investments in debt instruments measured at FVTOCI	(85,461)	(1,132,062)	(92.5)	(85,364)	(1,164,542)	(92.7)
Net (gains)/ losses on FVTOCI financial investments reclassification to profit or loss	-	(2,753)	(100.0)	-	(2,753)	(100.0)
Deferred tax effect on net gains/ (losses) on investments in debt instruments measured at FVTOCI	(24,345)	315,579	(107.7)	(24,345)	315,829	(107.7)
Share of other comprehensive income of Associate companies, net of tax	-	-	-	(20,342)	(28,907)	(29.6)
	(6,591,388)	5,403,413	(222.0)	(7,052,928)	7,008,343	(200.6)
<b>Items that will not be reclassified to profit or loss</b>						
Change in fair value on investments in equity instruments measured at FVTOCI	406,941	122,623	231.9	877,972	22,378	3,823.4
Deferred tax effect on change in fair value on investments in equity instruments measured at FVTOCI	47,911	(239,533)	(120.0)	47,911	(239,533)	(120.0)
Re-measurement of post-employment benefit obligations	-	-	-	2,102	2,687	(21.8)
Deferred tax effect on post-employment benefit obligations	-	-	-	(630)	(645)	(2.3)
Changes in revaluation surplus/ (deficit)	3,200	-	100.0	3,200	-	100.0
Deferred tax effect on revaluation surplus/ (deficit)	-	-	-	-	-	-
	458,052	(116,910)	(491.8)	930,555	(215,113)	(532.6)
<b>Other comprehensive income for the period, net of tax</b>	<b>(6,133,336)</b>	<b>5,286,503</b>	<b>(216.0)</b>	<b>(6,122,373)</b>	<b>6,793,230</b>	<b>(190.1)</b>
<b>Total comprehensive income for the period</b>	<b>(2,823,933)</b>	<b>10,750,655</b>	<b>(126.3)</b>	<b>(2,471,389)</b>	<b>12,348,427</b>	<b>(120.0)</b>
<b>Attributable to:</b>						
Equity holder of the Bank	(2,823,933)	10,750,655	(126.3)	(2,466,716)	12,415,727	(119.9)
Non controlling interest	-	-	-	(4,673)	(67,300)	(93.1)
<b>Total comprehensive income for the period</b>	<b>(2,823,933)</b>	<b>10,750,655</b>	<b>(126.3)</b>	<b>(2,471,389)</b>	<b>12,348,427</b>	<b>(120.0)</b>

As at	Bank			Group		
	31-Mar-2023	31-Dec-2022 (Audited)	Change %	31-Mar-2023	31-Dec-2022 (Audited)	Change %
<b>Assets</b>						
Cash and cash equivalents	169,928,022	128,401,532	32.3	175,904,741	135,230,827	30.1
Balances with Central Banks	86,290,083	70,494,529	22.4	86,290,083	70,494,529	22.4
Placements with banks	10,007,754	16,459,303	(39.2)	11,847,739	17,811,665	(33.5)
Securities purchased under resale agreements	1,076,836	1,480,403	(27.3)	1,315,227	1,463,368	(10.1)
Derivative financial instruments	45,593,056	57,155,486	(20.2)	45,593,056	57,155,486	(20.2)
Financial assets recognized through profit or loss measured at fair value	10,924,805	10,280,055	6.3	11,303,292	10,636,190	6.3
Financial assets at amortized cost						
- loans and advances	2,132,576,771	2,325,594,329	(8.3)	2,161,380,143	2,355,978,333	(8.3)
- debt and other instruments	1,424,202,507	1,555,897,307	(8.5)	1,431,196,246	1,562,373,679	(8.4)
Financial assets - measured at fair value through other comprehensive income	12,319,752	8,690,802	41.8	14,745,852	10,750,044	37.2
Investment in Subsidiary companies	8,181,138	8,181,138	-	-	-	-
Investment in Associate companies	92,988	92,988	-	739,416	684,536	8.0
Investment properties	2,414,640	2,414,640	-	104,071	104,798	(0.7)
Property, plant and equipment	34,880,154	34,845,004	0.1	51,471,268	50,992,323	0.9
Right of Use Asset/ Leasehold properties	3,736,332	3,002,305	24.4	2,286,927	2,624,300	(12.9)
Intangible assets	1,459,060	1,442,433	1.2	1,598,083	1,593,344	0.3
Deferred tax assets	15,601,032	15,577,466	0.2	15,683,932	15,598,541	0.5
Other assets	106,235,905	96,449,984	10.1	107,013,045	97,276,598	10.0
<b>Total assets</b>	<b>4,065,520,835</b>	<b>4,336,459,704</b>	<b>(6.2)</b>	<b>4,118,473,121</b>	<b>4,390,768,561</b>	<b>(6.2)</b>
<b>Liabilities</b>						
Due to banks	10,557,542	11,514,897	(8.3)	10,722,438	11,547,714	(7.1)
Securities sold under repurchase agreements	232,561,610	180,218,543	29.0	231,852,151	179,938,744	28.9
Derivative financial instruments	467,134	921,033	(49.3)	467,134	921,033	(49.3)
Financial liabilities at amortized cost						
- due to depositors	3,310,472,076	3,334,774,261	(0.7)	3,334,165,828	3,358,198,424	(0.7)
- due to other borrowers	110,475,845	390,489,543	(71.7)	116,475,819	397,083,583	(70.7)
Debt securities issued	-	-	-	61,063	58,807	3.8
Current tax liabilities	4,742,776	6,523,443	(27.3)	5,034,112	6,853,709	(26.5)
Deferred tax liabilities	-	-	-	2,580,585	2,694,221	(4.2)
Insurance provision - Life	-	-	-	356,087	355,190	0.3
Insurance provision - Non life	-	-	-	709,723	662,773	7.1
Other liabilities	78,162,763	94,075,650	(16.9)	79,518,157	96,425,230	(17.5)
Subordinated liabilities	66,894,084	63,758,191	4.9	66,644,084	63,498,599	5.0
<b>Total liabilities</b>	<b>3,814,333,830</b>	<b>4,082,275,561</b>	<b>(6.6)</b>	<b>3,848,587,181</b>	<b>4,118,238,027</b>	<b>(6.5)</b>
<b>Equity</b>						
Share capital	25,730,000	25,730,000	-	25,730,000	25,730,000	-
Permanent reserve fund	15,131,000	15,131,000	-	15,131,000	15,131,000	-
OCI reserve	1,206,370	861,324	40.1	3,392,671	2,584,356	31.3
Cashflow hedge reserve	20,813,376	25,620,635	(18.8)	20,813,376	25,620,635	(18.8)
Retained earnings	161,752,436	158,616,238	2.0	163,290,923	159,819,481	2.2
Other reserves	26,553,823	28,224,946	(5.9)	40,475,677	42,588,095	(5.0)
<b>Total equity attributable to equity holder of the Bank</b>	<b>251,187,005</b>	<b>254,184,143</b>	<b>(1.2)</b>	<b>268,833,647</b>	<b>271,473,567</b>	<b>(1.0)</b>
Non controlling interest	-	-	-	1,052,293	1,056,967	(0.4)
<b>Total equity</b>	<b>251,187,005</b>	<b>254,184,143</b>	<b>(1.2)</b>	<b>269,885,940</b>	<b>272,530,534</b>	<b>(1.0)</b>
<b>Total liabilities and equity</b>	<b>4,065,520,835</b>	<b>4,336,459,704</b>	<b>(6.2)</b>	<b>4,118,473,121</b>	<b>4,390,768,561</b>	<b>(6.2)</b>
Contingent liabilities and commitments	1,162,266,971	1,344,899,769	(13.6)	1,203,832,614	1,346,920,056	(10.6)

## STATEMENT OF CHANGES IN EQUITY- BANK

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Rs. 000

	Share capital	Capital pending allotment	Permanent reserve fund	OCI reserve	Cashflow hedge reserve	Other reserves		Retained earnings	Total Equity
						Other reserves	Revaluation reserve		
<b>Balance as at 01 January 2022</b>	<b>25,000,000</b>	<b>-</b>	<b>14,491,000</b>	<b>588,427</b>	<b>3,229,266</b>	<b>3,345,420</b>	<b>17,356,542</b>	<b>136,739,177</b>	<b>200,749,832</b>
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	-	5,464,152	5,464,152
Other comprehensive income, net of tax	-	-	-	(936,146)	1,175,098	5,047,551	-	-	5,286,503
Dividends for the period	-	-	-	-	-	-	-	(173,205)	(173,205)
<b>Balance as at 31 March 2022</b>	<b>25,000,000</b>	<b>-</b>	<b>14,491,000</b>	<b>(347,719)</b>	<b>4,404,364</b>	<b>8,392,971</b>	<b>17,356,542</b>	<b>142,030,124</b>	<b>211,327,282</b>
<b>Balance as at 01 January 2023</b>	<b>25,000,000</b>	<b>730,000</b>	<b>15,131,000</b>	<b>861,324</b>	<b>25,620,635</b>	<b>10,909,464</b>	<b>17,315,482</b>	<b>158,616,238</b>	<b>254,184,143</b>
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	-	3,309,403	3,309,403
Other comprehensive income, net of tax	-	-	-	345,046	(4,807,259)	(1,674,323)	3,200	-	(6,133,336)
Dividends for the period	-	-	-	-	-	-	-	(173,205)	(173,205)
<b>Balance as at 31 March 2023</b>	<b>25,000,000</b>	<b>730,000</b>	<b>15,131,000</b>	<b>1,206,370</b>	<b>20,813,376</b>	<b>9,235,141</b>	<b>17,318,682</b>	<b>161,752,436</b>	<b>251,187,005</b>

## STATEMENT OF CHANGES IN EQUITY -GROUP

Rs. 000

	Share capital	Capital pending allotment	Permanent reserve fund	OCI reserve	Cashflow hedge reserve	Other reserves		Retained earnings	Non controlling interest	Total Equity
						Other reserves	Revaluation reserve			
<b>Balance as at 01 January 2022</b>	<b>25,000,000</b>	<b>-</b>	<b>14,491,000</b>	<b>1,483,412</b>	<b>3,239,266</b>	<b>5,186,788</b>	<b>26,302,644</b>	<b>138,104,222</b>	<b>1,589,446</b>	<b>215,396,778</b>
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	-	5,612,822	(57,625)	5,555,197
Other comprehensive income, net of tax	-	-	-	(1,058,903)	1,175,098	6,713,618	-	(26,908)	(9,675)	6,793,230
Dividends for the year	-	-	-	-	-	-	-	(173,205)	-	(173,205)
<b>Balance as at 31 March 2022</b>	<b>25,000,000</b>	<b>-</b>	<b>14,491,000</b>	<b>424,509</b>	<b>4,414,364</b>	<b>11,900,406</b>	<b>26,302,644</b>	<b>143,516,931</b>	<b>1,522,146</b>	<b>227,572,000</b>
<b>Balance as at 01 January 2023</b>	<b>25,000,000</b>	<b>730,000</b>	<b>15,131,000</b>	<b>2,584,356</b>	<b>25,620,635</b>	<b>15,029,992</b>	<b>27,558,103</b>	<b>159,819,481</b>	<b>1,056,967</b>	<b>272,530,534</b>
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	-	3,663,520	(12,536)	3,650,984
Other comprehensive income, net of tax	-	-	-	808,315	(4,807,259)	(2,115,618)	3,200	(18,873)	7,862	(6,122,373)
Dividends for the year	-	-	-	-	-	-	-	(173,205)	-	(173,205)
<b>Balance as at 31 March 2023</b>	<b>25,000,000</b>	<b>730,000</b>	<b>15,131,000</b>	<b>3,392,671</b>	<b>20,813,376</b>	<b>12,914,374</b>	<b>27,561,303</b>	<b>163,290,923</b>	<b>1,052,293</b>	<b>269,885,940</b>

For the three-month ended 31 March	Bank		Group	
	2023	2022	2023	2022
<b>Cash flows from operating activities</b>				
Profit before income tax	3,330,115	8,875,457	3,745,930	9,031,928
<b>Adjustments for :</b>				
Net interest income	(18,653,730)	(39,805,875)	(19,733,546)	(40,888,284)
Dividend income	(17,454)	(16,395)	(45,109)	(37,724)
Dividends from Subsidiaries and Associates	(425)	-	-	-
Share of profits of Associate companies, net of tax	-	-	(24,754)	(37,387)
Change in operating assets	188,045,519	(82,131,654)	187,927,218	(83,771,723)
Change in operating liabilities	(278,338,296)	203,031,237	(281,507,532)	198,152,234
Other non cash items included in profit before tax	680,217	21,468,567	860,487	18,315,208
Other net losses/ (gains) from investing activities	(1,162,757)	1,832,145	(1,180,625)	1,952,913
	<b>(106,116,811)</b>	<b>113,253,482</b>	<b>(109,957,931)</b>	<b>102,717,166</b>
Contribution paid from defined benefit plans	(3,377,082)	(2,444,299)	(3,387,873)	(2,491,749)
Interest received	90,074,250	67,561,899	91,486,588	69,257,798
Interest paid	(72,957,959)	(17,043,073)	(73,316,646)	(17,734,477)
Dividends received	10,529	11,648	10,529	11,648
<b>Net cash from/ (used in) operating activities before income tax</b>	<b>(92,367,073)</b>	<b>161,339,657</b>	<b>(95,165,333)</b>	<b>151,760,385</b>
Income tax paid	(2,510,391)	(2,494,716)	(2,646,441)	(2,561,976)
<b>Net cash from / (used in) operating activities</b>	<b>(94,877,464)</b>	<b>158,844,941</b>	<b>(97,811,774)</b>	<b>149,198,409</b>
<b>Cash flows from investing activities</b>				
Net (increase)/ decrease in financial investments at amortized cost	120,091,645	(333,519,987)	119,574,278	(333,644,276)
Net increase in financial investments recognized at fair value	(3,307,470)	(716,764)	(3,203,200)	(1,803,393)
Purchase of property plant and equipment	(1,215,550)	(354,043)	(1,225,285)	(356,178)
Purchase of intangible assets	-	(87,721)	-	(87,772)
Dividends received	7,350	4,747	34,580	21,329
Interest received	52,054,003	29,330,723	51,951,954	29,256,312
<b>Net cash from / (used in) investing activities</b>	<b>167,629,978</b>	<b>(305,343,045)</b>	<b>167,132,327</b>	<b>(306,613,978)</b>
<b>Cash flows from financing activities</b>				
Net increase/ (decrease) in other borrowings	(11,816,051)	168,890,275	(9,838,455)	180,659,146
Dividends paid to Equity holder of the Bank	(173,205)	(173,205)	(173,205)	(173,205)
Interest payments on borrowings and debt securities	(18,573,317)	(7,090,207)	(18,433,255)	(6,688,513)
<b>Net cash from/ (used in) in financing activities</b>	<b>(30,562,573)</b>	<b>161,626,863</b>	<b>(28,444,915)</b>	<b>173,797,428</b>
Net increase in cash and cash equivalents during the period	42,189,941	15,128,759	40,875,638	16,381,859
Cash and cash equivalents at the beginning of the period	118,512,831	66,789,233	125,309,309	65,745,466
<b>Cash and cash equivalents at the end of the period</b>	<b>160,702,772</b>	<b>81,917,992</b>	<b>166,184,947</b>	<b>82,127,325</b>
<b>Analysis of cash and cash equivalents</b>				
Cash and cash equivalents	169,928,022	104,664,439	175,904,741	104,765,992
Bank overdrafts	(9,225,250)	(22,746,447)	(9,719,794)	(22,638,667)
<b>Cash and cash equivalents at the end of the period</b>	<b>160,702,772</b>	<b>81,917,992</b>	<b>166,184,947</b>	<b>82,127,325</b>

**SELECTED PERFORMANCE INDICATORS**
**6**

As at	Bank		Group	
	31-Mar-2023	31-Dec-2022	31-Mar-2023	31-Dec-2022
Net assets value per share (Rs)	10,047.48	10,167.37	10,753.35	10,858.94
<b>Profitability</b>				
Interest margin	1.78%	3.10%	1.86%	3.15%
Return on assets (before tax)	0.32%	0.76%	0.35%	0.75%
Return on equity (after tax)	5.24%	14.06%	5.38%	13.05%
<b>Assets Quality</b>				
Impaired Loans (Stage 3) Ratio	5.34%	5.27%		
Impairment (Stage 3) to Stage 3 Loans Ratio	61.63%	59.73%		
<b>Investor Information</b>				
Debt equity (%)	43.57	43.89		
Interest cover (times)	1.12	1.32		
<b>Memorandum Information</b>				
Number of employees	8,121	8,209		
Number of branches	582	581		

\* These ratios have been calculated annualizing the 1Q - 2023 figures.

**KEY REGULATORY RATIOS - CAPITAL AND LIQUIDITY**

As at	Bank		Group	
	31-Mar-2023	31-Dec-2022	31-Mar-2023	31-Dec-2022
<b>Regulatory Capital (Rs. ' 000)</b>				
Common equity Tier 1	195,429,106	194,949,918	200,968,798	200,533,817
Total Tier I capital	213,779,106	213,299,918	219,318,798	218,883,817
Total capital	262,782,235	264,494,074	268,697,888	270,747,789
<b>Regulatory Capital Ratios (%)</b>				
Common equity Tier 1 capital ratio (Minimum requirement, Basel III - 8.50%)	11.65%	11.34%	11.80%	11.35%
Total Tier I capital ratio (Minimum requirement, Basel III - 10.00%)	12.74%	12.41%	12.88%	12.39%
Total capital ratio (Minimum requirement, Basel III - 14.00%)	15.66%	15.38%	15.78%	15.32%
Leverage ratio (Minimum requirement - 3%)	4.80%	4.59%	4.87%	4.65%
<b>Regulatory Liquidity</b>				
Statutory liquid assets				
- Total bank (Rs. ' 000)	969,408,868	802,548,166		
- Domestic banking unit (Rs. ' 000)	874,760,270	698,946,861		
- Off-shore banking unit (US\$ '000)	358,528	368,308		
Statutory liquid assets ratio (minimum requirement - 20%)				
- Total Bank	28.00%	23.00%		
- Domestic banking unit	26.72%	21.22%		
- Off-shore banking unit	35.43%	32.79%		
Total Stock of High Quality Liquid Assets (Rs. ' 000)	749,401,951	522,718,280		
Liquidity coverage ratio - Rupee (Minimum requirement 2023-100%, 2022-90%)	238.00%	169.00%		
Liquidity coverage ratio - All currency (Minimum requirement 2023-100%, 2022-90%)	162.32%	122.77%		
Net stable funding ratio (Minimum requirement 2023-100%, 2022-90%)	137.00%	137.00%		

**SHARE INFORMATION**

Shareholder	31-Mar-2023		31-Dec-2022	
	No. of Ordinary Shares*	Holding %	No. of Ordinary Shares*	Holding %
Government of Sri Lanka	25,730,000	100	25,730,000	100

\* This includes 730,000 shares in pending allotment.

- 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 2022. In order to confirm 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 2022.
- III. During the period, there were no material changes in the composition of assets, liabilities and contingent liabilities in the Bank.
- IV. All known expenses have been charged in these financial statements.
- V. The Bank closely monitors and considers the impact of economy to business operations and performance. In order to capture the expected losses from loans and advances due to prevalent economic conditions, 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 considering the Sovereign rating downgrade.
- 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. No circumstances have arisen and no material events have occurred since the reporting date, which require disclosures or adjustments to the financial statements.
- VIII. The Group financial statements comprise a consolidation of the Bank and its Subsidiaries, Property Development Limited, Merchant Bank of Sri Lanka & Finance PLC, Hotels Colombo (1963) Limited, BOC Property Development & Management (Private) Limited, BOC Travels (Private) Limited, Ceybank Holiday Homes (Private) Limited, BOC Management & Support Services (Private) Limited, MBSL Insurance Company Limited, and Bank of Ceylon (UK) Limited and the Group’s interest in its Associate companies, Lanka Securities (Private) Limited, Southern Development Financial Company Limited, Transnational Lanka Records Solutions (Private) Limited and Ceybank Asset Management Limited.

We certify that the above financial statements give a true and fair view of the state of affairs of Bank of Ceylon and the Group as at 31 March 2023 and its profit for the three-month period ended 31 March 2023.

Sgd.  
M P Ruwan Kumara  
**Chief Financial Officer**

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

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

Sgd.  
Ronald C Perera  
**Chairman**  
**(Independent Non-Executive)**

Sgd.  
R M P Rathnayake  
**Director**  
**(Non-Executive Ex officio)**

Sgd.  
W P Russel Fonseka  
**General Manager**

*12 May 2023*  
*Colombo*

As at 31 March	2023				
	Fair value through profit or loss	Amortised cost	Fair value through OCI	Others	Total
<b>Financial assets</b>					
Cash and cash equivalents	-	169,928,022	-	-	169,928,022
Balances with Central Banks	-	86,290,083	-	-	86,290,083
Placements with banks	-	10,007,754	-	-	10,007,754
Securities purchased under resale agreements	-	1,076,836	-	-	1,076,836
Derivative financial instruments	45,593,056	-	-	-	45,593,056
Loans and advances	-	2,132,576,771	-	-	2,132,576,771
Financial investments	10,924,805	1,424,202,507	12,319,752	-	1,447,447,064
<b>Total financial assets</b>	<b>56,517,861</b>	<b>3,824,081,973</b>	<b>12,319,752</b>	<b>-</b>	<b>3,892,919,586</b>
Other assets	-	-	-	172,601,249	172,601,249
<b>Total assets</b>	<b>56,517,861</b>	<b>3,824,081,973</b>	<b>12,319,752</b>	<b>172,601,249</b>	<b>4,065,520,835</b>

	Fair value through profit or loss	Amortised Cost	Others	Total
<b>Financial liabilities</b>				
Due to banks	-	10,557,542	-	10,557,542
Securities sold under repurchase agreements	-	232,561,610	-	232,561,610
Derivative financial instruments	467,134	-	-	467,134
Other financial liabilities held for trading	-	-	-	-
Due to depositors	-	3,310,472,076	-	3,310,472,076
Other borrowings	-	110,475,845	-	110,475,845
Debt securities issued	-	-	-	-
Subordinated liabilities	-	66,894,084	-	66,894,084
<b>Total financial liabilities</b>	<b>467,134</b>	<b>3,730,961,157</b>	<b>-</b>	<b>3,731,428,291</b>
Other liabilities	-	-	82,905,539	82,905,539
<b>Total liabilities</b>	<b>467,134</b>	<b>3,730,961,157</b>	<b>82,905,539</b>	<b>3,814,333,830</b>

As at 31 December	2022				
	Fair value through profit or loss	Amortised cost	Fair value through OCI	Others	Total
<b>Financial assets</b>					
Cash and cash equivalents	-	128,401,532	-	-	128,401,532
Balances with Central Banks	-	70,494,529	-	-	70,494,529
Placements with banks	-	16,459,303	-	-	16,459,303
Securities purchased under resale agreements	-	1,480,403	-	-	1,480,403
Derivative financial instruments	57,155,486	-	-	-	57,155,486
Loans and advances	-	2,325,594,329	-	-	2,325,594,329
Financial investments	10,280,055	1,555,897,307	8,690,802	-	1,574,868,164
<b>Total financial assets</b>	<b>67,435,541</b>	<b>4,098,327,403</b>	<b>8,690,802</b>	<b>-</b>	<b>4,174,453,746</b>
Other assets	-	-	-	162,005,958	162,005,958
<b>Total assets</b>	<b>67,435,541</b>	<b>4,098,327,403</b>	<b>8,690,802</b>	<b>162,005,958</b>	<b>4,336,459,704</b>

	Fair value through profit or loss	Amortised Cost	Others	Total
<b>Financial liabilities</b>				
Due to banks	-	11,514,897	-	11,514,897
Securities sold under repurchase agreements	-	180,218,543	-	180,218,543
Derivative financial instruments	921,033	-	-	921,033
Due to depositors	-	3,334,774,261	-	3,334,774,261
Other borrowings	-	390,489,543	-	390,489,543
Debt securities issued	-	-	-	-
Subordinated liabilities	-	63,758,191	-	63,758,191
<b>Total financial liabilities</b>	<b>921,033</b>	<b>3,980,755,435</b>	<b>-</b>	<b>3,981,676,468</b>
Other liabilities	-	-	100,599,093	100,599,093
<b>Total liabilities</b>	<b>921,033</b>	<b>3,980,755,435</b>	<b>100,599,093</b>	<b>4,082,275,561</b>

As at 31 March	2023				
	Fair value through profit or loss	Amortised cost	Fair value through OCI	Others	Total
<b>Financial assets</b>					
Cash and cash equivalents	-	175,904,741	-	-	175,904,741
Balances with Central Banks	-	86,290,083	-	-	86,290,083
Placements with banks	-	11,847,739	-	-	11,847,739
Securities purchased under resale agreements	-	1,315,227	-	-	1,315,227
Derivative financial instruments	45,593,056	-	-	-	45,593,056
Loans and advances	-	2,161,380,143	-	-	2,161,380,143
Financial investments	11,303,292	1,431,196,246	14,745,852	-	1,457,245,390
<b>Total financial assets</b>	<b>56,896,348</b>	<b>3,867,934,179</b>	<b>14,745,852</b>	<b>-</b>	<b>3,939,576,379</b>
Other assets	-	-	-	178,896,742	178,896,742
<b>Total assets</b>	<b>56,896,348</b>	<b>3,867,934,179</b>	<b>14,745,852</b>	<b>178,896,742</b>	<b>4,118,473,121</b>

	Fair value through profit or loss	Amortised cost	Others	Total
<b>Financial liabilities</b>				
Due to banks	-	10,722,438	-	10,722,438
Securities sold under repurchase agreements	-	231,852,151	-	231,852,151
Derivative financial instruments	467,134	-	-	467,134
Other financial liabilities held for trading	-	-	-	-
Due to depositors	-	3,334,165,828	-	3,334,165,828
Other borrowings	-	116,475,819	-	116,475,819
Debt securities issued	-	61,063	-	61,063
Subordinated liabilities	-	66,644,084	-	66,644,084
<b>Total financial liabilities</b>	<b>467,134</b>	<b>3,759,921,383</b>	<b>-</b>	<b>3,760,388,517</b>
Other liabilities	-	-	88,198,664	88,198,664
<b>Total liabilities</b>	<b>467,134</b>	<b>3,759,921,383</b>	<b>88,198,664</b>	<b>3,848,587,181</b>

As at 31 December	2022				
	Fair value through profit or loss	Amortised cost	Fair value through OCI	Others	Total
<b>Financial assets</b>					
Cash and cash equivalents	-	135,230,827	-	-	135,230,827
Balances with Central Banks	-	70,494,529	-	-	70,494,529
Placements with banks	-	17,811,665	-	-	17,811,665
Securities purchased under resale agreements	-	1,463,368	-	-	1,463,368
Derivative financial instruments	57,155,486	-	-	-	57,155,486
Loans and advances to customers	-	2,355,978,333	-	-	2,355,978,333
Financial investments	10,636,190	1,562,373,679	10,750,044	-	1,583,759,913
<b>Total financial assets</b>	<b>67,791,676</b>	<b>4,143,352,401</b>	<b>10,750,044</b>	<b>-</b>	<b>4,221,894,121</b>
Other assets	-	-	-	168,874,440	168,874,440
<b>Total assets</b>	<b>67,791,676</b>	<b>4,143,352,401</b>	<b>10,750,044</b>	<b>168,874,440</b>	<b>4,390,768,561</b>

	Fair value through profit or loss	Amortised cost	Others	Total
<b>Financial liabilities</b>				
Due to banks	-	11,547,714	-	11,547,714
Securities sold under repurchase agreements	-	179,938,744	-	179,938,744
Derivative financial instruments	921,033	-	-	921,033
Due to depositors	-	3,358,198,424	-	3,358,198,424
Other borrowings	-	397,083,583	-	397,083,583
Debt securities issued	-	58,807	-	58,807
Subordinated liabilities	-	63,498,599	-	63,498,599
<b>Total financial liabilities</b>	<b>921,033</b>	<b>4,010,325,871</b>	<b>-</b>	<b>4,011,246,904</b>
Other liabilities	-	-	106,991,123	106,991,123
<b>Total liabilities</b>	<b>921,033</b>	<b>4,010,325,871</b>	<b>106,991,123</b>	<b>4,118,238,027</b>

Description	Note	Interest payable frequency	Issue date	Maturity date	Coupon rate		Interest Rate of comparable Government security	Amount	
					31.03.2023	31.12.2022		Bank	
					%	%		31.03.2023	31.12.2022
<b>Sri Lanka rupee debentures</b>									
<b>Fixed interest rate</b>									
Listed, Unsecured, subordinated, redeemable debentures	a	Annually	25.10.2013	24.10.2023	13.75	13.75	25.33	1,691,273	1,637,668
Listed, Unsecured, subordinated, redeemable debentures	a	Annually	06.10.2015	05.10.2023	9.50	9.50	25.18	1,233,185	1,205,521
Listed, Unsecured, subordinated, redeemable debentures	a	Annually	29.12.2016	28.12.2024	12.75	12.75	29.89	808	784
Unlisted, Unsecured, subordinated, redeemable debentures		Annually	29.12.2017	28.12.2025	12.75	12.75	26.46	5,155,119	5,004,820
Unlisted, Unsecured, subordinated, redeemable debentures		Annually	31.07.2018	30.07.2026	12.00	12.00	26.49	7,226,304	7,027,089
Unlisted, Unsecured, subordinated, redeemable debentures		Annually	03.12.2018	02.12.2023	12.00	12.00	25.58	5,499,248	5,347,618
Unlisted, Unsecured, subordinated, redeemable debentures		Annually	27.06.2019	26.06.2024	11.75	11.75	26.73	3,264,853	3,176,634
Unlisted, Unsecured, subordinated, redeemable debentures		Annually	17.07.2019	16.07.2024	11.80	11.80	27.35	1,134,879	1,104,092
Unlisted, Unsecured, subordinated, redeemable debentures		Annually	18.07.2019	17.07.2024	11.80	11.80	27.35	2,379,721	2,315,164
Unlisted, Unsecured, subordinated, redeemable debentures		Annually	23.07.2019	22.07.2024	11.80	11.80	27.35	2,699,550	2,626,346
Unlisted, Unsecured, subordinated, redeemable debentures		Annually	24.07.2019	23.07.2024	11.50	11.50	27.35	431,087	419,670
Unlisted, Unsecured, subordinated, redeemable debentures		Annually	26.07.2019	25.07.2027	11.75	11.75	26.49	65,955	64,174
Unlisted, Unsecured, subordinated, redeemable debentures		Annually	30.12.2022	29.12.2027	29.00	29.00	25.79	6,915,395	6,494,529
								<b>37,697,377</b>	<b>36,424,109</b>
<b>Floating interest rate</b>									
Listed, Unsecured, subordinated, redeemable debentures (6 months TB ( Gross ) rate plus 125 basis points)	a/b	Semi annually	06.10.2015	05.10.2023	31.84	6.35	25.18	2,353,897	2,194,782
Listed, Unsecured, subordinated, redeemable debentures (6 months TB ( Gross ) rate plus 125 basis points)	a/b	Semi annually	29.12.2016	28.12.2024	33.51	9.35	29.89	22	20
Unlisted, Unsecured, subordinated, redeemable debentures (6 months TB ( Gross ) rate plus 250 basis points with a floor rate of 9.0%)	b	Semi annually	22.11.2021	22.11.2026	35.01	10.53	26.55	6,052,196	5,589,394
								<b>8,406,115</b>	<b>7,784,196</b>
<b>Additional Tier I capital bond</b>									
Unlisted, Unsecured, subordinated, perpetual capital bond (12 months TB (Net) rate plus 150 basis points with a Floor rate of 9.5%)		Annually	06.07.2020	N/A	25.34	9.50	-	5,904,592	5,583,891
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	30.96	9.00	-	10,929,924	10,224,787
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	25.34	9.00	-	3,956,076	3,741,208
								<b>20,790,592</b>	<b>19,549,886</b>
								<b>66,894,084</b>	<b>63,758,191</b>

**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.

**INFORMATION ON LISTED DEBENTURES**

**12**

	<b>01-Jan-2023 to 31-Mar-2023 Rs.</b>	<b>01-Jan-2022 to 31-Dec-2022 Rs.</b>
<b>Market Value</b>		
<b>BoC Debentures 2013/2023 ,</b> Unsecured, subordinated, redeemable, 10 years, fixed rate (13.75%)	Not Traded	Not Traded
<b>BoC Debentures 2015/2023 ,</b> Unsecured, subordinated, redeemable, 8 years, fixed rate (9.50%)	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 8 years, floating rate (06 months TB rate (Gross) plus 125 basis points )	Not Traded	Not Traded
<b>BoC Debentures 2016/2024 ,</b> Unsecured, subordinated, redeemable, 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

**YIELD OF LAST TRADE DONE**

	<b>31-Mar-2023 %</b>	<b>31-Dec-2022 %</b>
<b>Interest yield as at date of last trade done</b>		
<b>BoC Debentures 2013/2023 ,</b> 10 years, fixed rate (13.75%)	Not Traded	Not Traded
<b>BoC Debentures 2015/2023 ,</b> 8 years, fixed rate (9.50%) 8 years, floating rate (06 months TB rate (Gross) plus 125 basis points )	Not Traded Not Traded	Not Traded Not Traded
<b>BoC Debentures 2016/2024 ,</b> 8 years, fixed rate (12.75%) 8 years, floating rate (06 months TB rate (Gross) plus 125 basis points )	Not Traded Not Traded	Not Traded Not Traded
<b>Yield to maturity of last trade done</b>		
<b>BoC Debentures 2013/2023 ,</b> 10 years, fixed rate (13.75%)	Not Traded	Not Traded
<b>BoC Debentures 2015/2023 ,</b> 8 years, fixed rate (9.50%) 8 years, floating rate (06 months TB rate (Gross) plus 125 basis points )	Not Traded Not Traded	Not Traded Not Traded
<b>BoC Debentures 2016/2024 ,</b> 8 years, fixed rate (12.75%) 8 years, floating rate (06 months TB rate (Gross) plus 125 basis points )	Not Traded Not Traded	Not Traded Not Traded

1) Loans and advances to customers

As at	Bank		Group	
	31.03.2023	31.12.2022	31.03.2023	31.12.2022
	Rs '000	Rs '000	Rs '000	Rs '000
Gross loans and receivables	2,385,720,215	2,584,778,967	2,417,485,507	2,617,905,189
Stage 1	1,827,886,315	1,986,928,070	1,843,847,130	2,002,738,770
Stage 2	241,545,111	273,220,831	245,101,202	277,121,666
Stage 3	316,288,789	324,630,066	328,537,175	338,044,753
Less : Accumulated impairment	253,143,444	259,184,638	256,105,364	261,926,856
Stage 1	34,906,255	39,710,949	35,083,599	39,904,019
Stage 2	23,158,751	25,419,553	23,299,941	25,564,731
Stage 3	195,078,438	194,054,136	197,721,824	196,458,106
<b>Net loans and advances</b>	<b>2,132,576,771</b>	<b>2,325,594,329</b>	<b>2,161,380,143</b>	<b>2,355,978,333</b>

2) Loans and advances to customers - By product

Local currency	Bank		Group	
	31.03.2023	31.12.2022	31.03.2023	31.12.2022
Overdrafts	137,337,860	146,415,234	137,106,642	146,223,589
Term loans	667,382,743	746,658,700	675,931,640	755,678,340
Lease rentals receivable	17,992,094	20,673,590	27,342,188	29,509,308
Credit cards	7,898,463	7,483,788	7,898,463	7,483,788
Pawning	111,099,317	116,879,501	115,914,044	122,545,263
Housing loans	76,455,553	78,125,880	76,484,337	78,155,920
Trade finance	38,934,536	39,846,557	39,159,622	40,077,612
Personal loans	398,710,125	413,928,850	399,987,461	415,315,733
Staff loans	26,188,046	26,186,008	26,427,851	26,420,658
Foreclosed properties	3,245,967	3,325,096	3,245,967	3,325,096
Other loans	50,481,359	47,861,160	50,481,359	47,861,160
<b>Total local currency loans and advances</b>	<b>1,535,726,063</b>	<b>1,647,384,364</b>	<b>1,559,979,574</b>	<b>1,672,596,467</b>
<b>Foreign currency</b>				
Overdrafts	52,856,206	67,382,222	53,069,818	67,622,802
Term loans	728,112,896	788,273,917	735,398,963	795,933,677
Trade finance	61,419,327	73,328,306	61,419,327	73,328,306
Housing loans	40,064	46,205	40,064	46,205
Staff loans	30,453	32,490	42,556	46,269
Foreclosed properties	8,527	8,624	8,527	8,624
Other loans	7,526,679	8,322,839	7,526,678	8,322,839
<b>Total foreign currency loans and advances</b>	<b>849,994,152</b>	<b>937,394,603</b>	<b>857,505,933</b>	<b>945,308,722</b>
<b>Total loans and advances to customers</b>	<b>2,385,720,215</b>	<b>2,584,778,967</b>	<b>2,417,485,507</b>	<b>2,617,905,189</b>

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

	Bank			
	Stage 1	Stage 2	Stage 3	Total
Opening balance (01 January)	39,710,949	25,419,553	194,054,136	259,184,638
Charge / ( reversal ) during the period	(2,846,273)	(1,191,797)	13,343,739	9,305,669
Amount recovered during the period	-	-	(8,072,138)	(8,072,138)
Exchange rate variance on foreign currency impairment	(2,436,951)	(493,802)	(3,041,487)	(5,972,240)
Amount written-off during the period	-	-	(10,978)	(10,978)
Other movements	478,530	(575,203)	(1,194,834)	(1,291,507)
<b>Closing balance as at 31 March 2023</b>	<b>34,906,255</b>	<b>23,158,751</b>	<b>195,078,438</b>	<b>253,143,444</b>

	Group			
	Stage 1	Stage 2	Stage 3	Total
Opening balance (01 January)	39,904,019	25,564,731	196,458,106	261,926,856
Charge / ( reversal ) during the period	(2,861,999)	(1,195,785)	13,423,533	9,365,749
Amount recovered during the period	-	-	(8,072,138)	(8,072,138)
Exchange rate variance on foreign currency impairment	(2,436,951)	(493,802)	(3,041,487)	(5,972,240)
Amount written-off during the period	-	-	(10,978)	(10,978)
Other movements	478,530	(575,203)	(1,035,212)	(1,131,885)
<b>Closing balance as at 31 March 2023</b>	<b>35,083,599</b>	<b>23,299,941</b>	<b>197,721,824</b>	<b>256,105,364</b>

Rs.'000

4) Contingent liabilities and commitments

As at	Bank		Group	
	31-Mar-2023	31-Dec-2022	31-Mar-2023	31-Dec-2022
<b>By product - Domestic currency</b>				
Acceptances and documentary credits	163,098,608	145,698,142	163,197,216	145,698,142
Bills for collection	48,731,421	51,385,079	48,731,421	51,385,079
Forward exchange contracts	132,694,896	124,122,135	132,793,071	124,122,135
Guarantees	161,322,067	157,927,423	161,322,067	158,085,923
Undrawn and undisbursed facilities	454,211,896	648,009,606	454,211,896	648,009,622
Other commitments	20,182,692	20,106,379	20,182,692	21,460,286
<b>Total domestic currency contingent liabilities and commitments</b>	<b>980,241,580</b>	<b>1,147,248,764</b>	<b>980,438,363</b>	<b>1,148,761,187</b>
<b>By product - Foreign currency</b>				
Acceptances and documentary credits	14,442,057	12,249,993	14,759,579	12,757,857
Bills for collection	10,394,308	13,430,539	10,394,308	13,430,539
Forward exchange contracts	67,576,868	75,331,192	107,310,050	75,331,192
Guarantees	12,620,749	10,047,160	12,620,749	10,047,160
Undrawn and undisbursed facilities	28,701,948	29,779,390	28,701,948	29,779,390
Other commitments	48,289,461	56,812,731	49,607,617	56,812,731
<b>Total foreign currency contingent liabilities and commitments</b>	<b>182,025,391</b>	<b>197,651,005</b>	<b>223,394,251</b>	<b>198,158,869</b>
<b>Total Contingent liabilities and commitments</b>	<b>1,162,266,971</b>	<b>1,344,899,769</b>	<b>1,203,832,614</b>	<b>1,346,920,056</b>

5) Financial liabilities at amortised cost

Due to depositors - By product

As at	Bank		Group	
	31-Mar-2023	31-Dec-2022	31-Mar-2023	31-Dec-2022
<b>Local currency</b>				
Demand deposits (current accounts)	134,130,872	174,674,605	133,758,657	174,245,474
Savings deposits	592,059,697	558,213,697	592,837,996	558,984,668
Time deposits	1,647,715,778	1,558,730,483	1,666,021,590	1,576,815,334
Other deposits	4,576,006	4,785,426	4,576,006	4,785,426
<b>Total local currency deposits</b>	<b>2,378,482,353</b>	<b>2,296,404,211</b>	<b>2,397,194,249</b>	<b>2,314,830,902</b>
<b>Foreign currency</b>				
Demand deposits (current accounts)	53,622,055	56,168,342	54,670,597	57,356,149
Savings deposits	158,341,397	189,799,490	159,399,407	190,755,490
Time deposits	714,778,053	786,788,397	717,653,357	789,642,062
Other deposits	5,248,218	5,613,821	5,248,218	5,613,821
<b>Total foreign currency deposits</b>	<b>931,989,723</b>	<b>1,038,370,050</b>	<b>936,971,579</b>	<b>1,043,367,522</b>
<b>Total due to depositors</b>	<b>3,310,472,076</b>	<b>3,334,774,261</b>	<b>3,334,165,828</b>	<b>3,358,198,424</b>

SEGMENTAL ANALYSIS - GROUP

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Rs. '000

For the three months ended 31st March	Retail banking		Corporate banking		International, treasury and investment		Group functions		Unallocated		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Revenue from external customers:</b>												
Net interest income	7,804,750	11,738,724	7,568,257	11,400,179	3,421,949	13,492,309	1,079,816	1,082,409	(141,226)	3,174,663	19,733,546	40,888,284
Net fee and commission income	3,435,826	2,882,821	872,841	731,956	(67,890)	156,684	90,481	51,761	194,296	155,408	4,525,554	3,978,631
Other income	(507,092)	515,175	(223,362)	7,942,049	(5,031,688)	5,973,362	302,709	280,415	679,296	17,110	(4,780,137)	14,728,111
<b>Total operating income</b>	<b>10,733,484</b>	<b>15,136,721</b>	<b>8,217,736</b>	<b>20,074,184</b>	<b>(1,677,629)</b>	<b>19,622,355</b>	<b>1,473,006</b>	<b>1,414,585</b>	<b>732,366</b>	<b>3,347,181</b>	<b>19,478,963</b>	<b>59,595,026</b>
<b>Expenses :</b>												
Impairment (charge)/reversal for loans and other losses	(529,575)	(8,227,351)	(647,151)	(17,563,095)	132,790	(10,337,203)	(60,080)	35,015	(24,288)	(708,334)	(1,128,304)	(36,800,968)
Total operation expenses	(8,047,656)	(6,684,968)	(1,240,854)	(1,642,154)	(2,307,619)	(1,644,071)	(1,005,257)	(1,250,656)	(181,013)	(196,831)	(12,782,399)	(11,418,680)
<b>Total expenses</b>	<b>(8,577,231)</b>	<b>(14,912,319)</b>	<b>(1,888,005)</b>	<b>(19,205,249)</b>	<b>(2,174,829)</b>	<b>(11,981,274)</b>	<b>(1,065,337)</b>	<b>(1,215,641)</b>	<b>(205,301)</b>	<b>(905,165)</b>	<b>(13,910,703)</b>	<b>(48,219,648)</b>
<b>Operating profit before taxes on financial services</b>	<b>2,156,253</b>	<b>224,402</b>	<b>6,329,731</b>	<b>868,935</b>	<b>(3,852,458)</b>	<b>7,641,081</b>	<b>407,669</b>	<b>198,944</b>	<b>527,065</b>	<b>2,442,016</b>	<b>5,568,260</b>	<b>11,375,378</b>
Taxes on financial services											(1,847,084)	(2,380,837)
<b>Operating profit after taxes on financial services</b>											<b>3,721,176</b>	<b>8,994,541</b>
Share of profits/ (losses) of associate companies, net of tax							24,754	37,387			24,754	37,387
<b>Profit/(loss) before income tax</b>	<b>2,156,253</b>	<b>224,402</b>	<b>6,329,731</b>	<b>868,935</b>	<b>(3,852,458)</b>	<b>7,641,081</b>	<b>432,423</b>	<b>236,331</b>	<b>527,065</b>	<b>2,442,016</b>	<b>3,745,930</b>	<b>9,031,928</b>
Income tax expense											(94,946)	(3,476,731)
<b>Profit for the period</b>											<b>3,650,984</b>	<b>5,555,197</b>
<b>Total assets</b>	<b>885,479,220</b>	<b>1,023,418,938</b>	<b>1,114,011,189</b>	<b>1,415,696,354</b>	<b>1,833,471,575</b>	<b>1,552,894,312</b>	<b>52,952,286</b>	<b>49,691,855</b>	<b>232,558,851</b>	<b>209,399,584</b>	<b>4,118,473,121</b>	<b>4,251,101,043</b>
<b>Total liabilities</b>	<b>830,770,148</b>	<b>971,939,406</b>	<b>1,045,182,337</b>	<b>1,344,484,671</b>	<b>1,720,191,075</b>	<b>1,474,781,363</b>	<b>34,253,348</b>	<b>33,457,138</b>	<b>218,190,273</b>	<b>198,866,465</b>	<b>3,848,587,181</b>	<b>4,023,529,043</b>
Cash flows from operating activities	(56,535,975)	33,583,125	(43,257,715)	63,140,906	9,633,249	55,017,443	(2,934,310)	(9,646,532)	(4,717,023)	7,103,467	(97,811,774)	149,198,409
Cash flows used in investing activities	36,510,171	(74,378,343)	45,933,025	(102,887,630)	75,597,891	(112,858,676)	(497,651)	(1,270,933)	9,588,891	(15,218,395)	167,132,327	(306,613,978)
Cash flows from financing activities	(18,339,132)	84,045,969	(8,216,614)	46,871,790	(2,935,382)	25,860,298	2,117,658	12,170,565	(1,071,445)	4,848,806	(28,444,915)	173,797,428
Capital expenditure to non-current assets											1,225,285	443,949
Depreciation and amortization expenses	192,390	236,566	242,044	327,241	398,363	358,955	69,527	8,812	50,528	48,403	952,852	979,977

During the period from 01.01.2015 to 31.03.2023

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...)
<b>2015</b>	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.							
<b>2016</b>	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.							