



ලංකා බැංකුව இலங்கை வங்கி

INTERIM FINANCIAL STATEMENTS
for the six months ended 30 June 2020
(Un -audited)

Bank of Ceylon

Fitch Ratings: AA+(lka)

BoC riding out a challenging year: leading the industry to deliver the Government Mandate to overcome COVID -19 economic downturn

Industry leader, the Bank of Ceylon is leading the way to help the nation in this challenging year to achieve the desired goals of the country as well as those of all its stakeholders.

The COVID -19 pandemic geared down the growth of all most all of the economies in the world and safety measures taken to maintain the spread of the virus has led to a considerable level of disruption to all business operations. Domestically, the pain resulting from COVID -19 spread to many areas threatening the sustainability of the economy amid challenging macroeconomic conditions.

In this context with the imminent need of providing relief to gear up business and economic activities which were held back, the Government and the Central Bank of Sri Lanka came up with various relaxations of regulations to both corporate and individual customers. During this difficult situation the Bank augmented all its capabilities to cater to the customer in the best possible way while continuously delivering the banking services with due care on health measures.

The Bank's results for the first half of the year was delivered among these unprecedented challenges. The Bank has reported Profit Before Tax (PBT) of Rs. 6.9 billion and Profit After Tax (PAT) of Rs. 5.8 billion for 1H-2020. The total income of the Bank for the period was Rs. 118.3 billion with marginal increase of 2% on YoY. The Bank's net interest income showed an 18% decrease YoY mainly due to accounting for the day one loss on COVID -19 moratorium and increase in interest expense in line with growth of the deposit base. Moratorium impact was accounted against the interest income based on the modification method given in the Sri Lanka Financial Reporting Standard (SLFRS) 09 and resulting day one loss of Rs. 6.0 billion has been adjusted to interest income.

The non- fund base for the period amounted to Rs. 8.3 billion showing an increase of Rs.3.2 billion YoY , exchange gain of Rs. 3.3 billion which resulted during the period mainly contributed to this growth. However, the main non- funded income source, fee and commission

income showed a dip of 15% as international trading and local business operations were disrupted along with COVID-19 pandemic.

Showing the prudential management approach of the Bank, operating cost came down by 7% YoY and many cost controlling and rational approaches in expense items were adopted in this extraordinary situation. However, the Bank had to make an impairment charge of Rs. 14.7 billion for the loans and advances by accounting for a significant increase in credit risk.

Among all these challenges the Bank's assets base grew by 11% to Rs. 2.7 trillion, backed by increase of 13% in the loan book. The Bank's loan book stood at Rs. 1.8 trillion and both Government and private sector lending have contributed to this growth.

The Bank's deposit base which represent 23% of the industry has increased during 1H 2020, despite of the low interest rates prevailing in the market. The Bank's deposit base of Rs. 2.2 trillion represents 32% of Current and Saving deposit (CASA) base which generates funds at low cost.

The Bank's Tier I Capital and Total Capital ratio stood at 10.61% and 14.7% respectively as of end 30th June 2020, which are above the regulatory norms. The Bank's liquidity position was also at a favorable level by reporting 31.3% statutory liquid ratio above its norm of 20%.

However, the ROA and ROE of the Bank showed a declining trend in direct correlation to Profit.

STATEMENT OF PROFIT OR LOSS

1

Rs. 000

For the six months ended 30 June	Bank						Group					
	For the period ended			For the quarter ended			For the period ended			For the quarter ended		
	2020	2019	Change %	2020	2019	Change %	2020	2019	Change %	2020	2019	Change %
Total income	118,279,482	115,508,510	2.4	55,835,563	59,948,396	(6.9)	120,922,824	119,649,226	1.1	56,519,844	61,855,812	(8.6)
Interest income	108,938,476	109,152,305	(0.2)	52,262,614	55,858,137	(6.4)	111,759,861	112,430,499	(0.6)	53,523,566	57,527,920	(7.0)
Interest expenses	(77,449,656)	(70,696,972)	9.6	(38,598,373)	(35,809,491)	7.8	(79,158,589)	(72,617,676)	9.0	(39,461,133)	(36,821,058)	7.2
Net interest income	31,488,820	38,455,333	(18.1)	13,664,241	20,048,646	(31.8)	32,601,272	39,812,823	(18.1)	14,062,433	20,706,862	(32.1)
Fee and commission income	5,721,473	6,756,744	(15.3)	2,298,583	3,957,599	(41.9)	5,851,081	6,930,544	(15.6)	2,351,421	4,052,470	(42.0)
Fee and commission expenses	(1,055,535)	(1,218,907)	(13.4)	(406,708)	(597,867)	(32.0)	(1,060,932)	(1,234,918)	(14.1)	(408,119)	(606,035)	(32.7)
Net fee and commission income	4,665,938	5,537,837	(15.7)	1,891,875	3,359,732	(43.7)	4,790,149	5,695,626	(15.9)	1,943,302	3,446,435	(43.6)
Net gains / (losses) from trading	1,767,567	1,374,154	28.6	949,675	596,451	59.2	1,776,801	1,384,436	28.3	947,895	601,056	57.7
Net fair value gains / (losses) from financial instruments at fair value through profit or loss	(881,217)	(514,911)	71.1	491,411	(289,349)	(269.8)	(914,314)	(555,805)	64.5	541,910	(301,113)	(280.0)
Net gains/(losses) on derecognition of financial assets	183,942	192,150	(4.3)	133,580	288,292	(53.7)	248,921	198,574	25.4	198,847	295,017	(32.6)
Other operating income	2,549,241	(1,451,932)	(275.6)	(300,300)	(462,734)	(35.1)	2,200,474	(739,021)	(397.8)	(1,043,795)	(319,537)	226.7
Total operating income	39,774,291	43,592,631	(8.8)	16,830,482	23,541,038	(28.5)	40,703,303	45,796,633	(11.1)	16,650,592	24,428,720	(31.8)
Impairment (charge) / reversal												
Loans and advances	(14,661,944)	(10,566,083)	38.8	(7,529,511)	(6,764,660)	11.3	(14,847,495)	(10,703,446)	38.7	(7,621,077)	(6,787,306)	12.3
Other financial assets	(929,922)	170,606	(645.1)	(900,567)	(42,508)	2,018.6	(974,291)	171,555	(667.9)	(933,819)	(62,692)	1,389.5
Net operating income	24,182,425	33,197,154	(27.2)	8,400,404	16,733,870	(49.8)	24,881,517	35,264,742	(29.4)	8,095,696	17,578,722	(53.9)
Operating expenses												
Personnel expenses	(8,602,517)	(9,682,009)	(11.1)	(4,364,681)	(5,179,505)	(15.7)	(9,460,204)	(10,608,402)	(10.8)	(4,660,515)	(5,663,788)	(17.7)
Depreciation and amortisation	(2,088,411)	(1,735,062)	20.4	(1,048,396)	(1,139,481)	(8.0)	(2,131,255)	(2,050,926)	3.9	(1,099,736)	(1,245,289)	(11.7)
Other expenses	(4,540,846)	(4,999,524)	(9.2)	(2,339,500)	(2,262,597)	3.4	(5,274,240)	(5,270,960)	0.1	(2,327,826)	(2,023,330)	15.0
Total operating expenses	(15,231,774)	(16,416,595)	(7.2)	(7,752,577)	(8,581,583)	(9.7)	(16,865,699)	(17,930,288)	(5.9)	(8,088,077)	(8,932,407)	(9.5)
Operating profit before taxes on financial services	8,950,651	16,780,559	(46.7)	647,827	8,152,287	(92.1)	8,015,818	17,334,454	(53.8)	7,619	8,646,315	(99.9)
Value Added Tax (VAT) on financial services	(2,005,420)	(2,952,276)	(32.1)	(549,547)	(1,638,832)	(66.5)	(2,015,551)	(3,002,764)	(32.9)	(544,709)	(1,679,246)	(67.6)
Nation Building Tax (NBT) on financial services	-	(393,198)	(100.0)	-	(218,405)	(100.0)	-	(400,035)	(100.0)	-	(223,639)	(100.0)
Debt repayment levy	-	(1,633,797)	(100.0)	-	(916,683)	(100.0)	-	(1,663,372)	(100.0)	-	(946,258)	(100.0)
Operating profit after taxes on financial services	6,945,231	11,801,288	(41.1)	98,280	5,378,367	(98.2)	6,000,267	12,268,283	(51.1)	(537,090)	5,797,172	(109.3)
Share of profits / (losses) of Associate companies, net of tax	-	-	-	-	-	-	23,369	19,783	18.1	10,299	19,617	(47.5)
Profit before income tax	6,945,231	11,801,288	(41.1)	98,280	5,378,367	(98.2)	6,023,636	12,288,066	(51.0)	(526,791)	5,816,789	(109.1)
Income tax expense	(1,162,705)	(4,852,945)	(76.0)	255,132	(2,633,438)	(109.7)	(1,277,494)	(5,009,185)	(74.5)	230,205	(2,717,197)	(108.5)
Profit for the period	5,782,526	6,948,343	(16.8)	353,412	2,744,929	(87.1)	4,746,142	7,278,881	(34.8)	(296,586)	3,099,592	(109.6)
Profit attributable to:												
Equity holder of the Bank	5,782,526	6,948,343	(16.8)	353,412	2,744,929	(87.1)	4,987,738	7,099,376	(29.7)	(214,137)	2,895,405	(107.4)
Non controlling interest	-	-	-	-	-	-	(241,596)	179,505	(234.6)	(82,449)	204,187	(140.4)
Profit for the period	5,782,526	6,948,343	(16.8)	353,412	2,744,929	(87.1)	4,746,142	7,278,881	(34.8)	(296,586)	3,099,592	(109.6)
Earnings per share:												
Basic earnings per share (Rs.)	231.30	308.43	(25.0)	14.14	109.31	(87.1)	199.51	315.14	(36.7)	(8.57)	115.82	(107.4)
Diluted earnings per share (Rs.)	231.30	277.93	(16.8)	14.14	103.31	(86.3)	199.51	283.98	(29.7)	(8.57)	115.82	(107.4)

STATEMENT OF COMPREHENSIVE INCOME

2

Rs. 000

For the six months ended 30 June	Bank						Group					
	For the period ended			For the quarter ended			For the period ended			For the quarter ended		
	2020	2019	Change %	2020	2019	Change %	2020	2019	Change %	2020	2019	Change %
Profit for the period	5,782,526	6,948,343	(16.8)	353,412	2,744,929	(87.1)	4,746,142	7,278,881	(34.8)	(296,586)	3,099,592	(109.6)
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	(103,835)	(248,372)	(58.2)	(193,348)	26,908	(818.6)	(103,835)	(359,175)	(71.1)	(113,235)	(51,956)	117.9
Net gains / (losses) on investments in debt instruments measured at FVTOCI	299,756	128,883	132.6	222,894	(18,054)	(1,334.6)	305,317	113,449	169.1	221,370	(43,038)	(614.4)
Net (gains) / losses on FVTOCI financial investments reclassification to profit or loss	(9,789)	164,425	(106.0)	(1,623)	160,842	(101.0)	(9,789)	164,425	(106.0)	(1,623)	160,842	(101.0)
Deferred tax effect on above	(70,558)	(82,126)	(14.1)	(56,468)	(82,126)	(31.2)	(70,558)	(82,126)	(14.1)	(56,468)	(82,126)	(31.2)
Share of other comprehensive income of Associate companies, net of tax	-	-	-	-	-	-	(17,947)	(8,973)	100.0	8,004	583	1,272.9
	115,574	(37,190)	(410.8)	(28,545)	87,570	(132.6)	103,188	(172,400)	(159.9)	58,048	(15,695)	(469.9)
Items that will not be reclassified to profit or loss												
Change in fair value on investments in equity instruments designated at FVTOCI	(547,814)	(382,541)	43.2	649,360	(115,574)	(661.9)	(628,807)	(248,168)	153.4	849,861	(4,663)	(18,325.6)
Deferred tax effect on above	(13,026)	(91,034)	(85.7)	(73,032)	(40,751)	79.2	(13,026)	(91,034)	(85.7)	(73,032)	(40,751)	79.2
Gain/ (Loss) of derecognition of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Re-measurement of post-employment benefit obligations	-	-	-	-	-	-	(974)	1,438	(167.7)	(1,288)	287	(548.8)
Deferred tax effect on above	-	-	-	-	-	-	234	(404)	(157.9)	309	(82)	(476.8)
	(560,840)	(473,575)	18.4	576,328	(156,325)	(468.7)	(642,573)	(338,168)	90.0	775,850	(45,209)	(1,816.1)
Other comprehensive income for the period, net of tax	(445,266)	(510,765)	(12.8)	547,783	(68,755)	(896.7)	(539,385)	(510,568)	5.6	833,898	(60,904)	(1,469.2)
Total comprehensive income for the period	5,337,260	6,437,578	(17.1)	901,195	2,676,174	(66.3)	4,206,757	6,768,313	(37.8)	537,312	3,038,688	(82.3)
Attributable to:												
Equity holder of the Bank	5,337,260	6,437,578	(17.1)	901,195	2,676,174	(66.3)	4,452,031	6,789,515	(34.4)	969,283	2,830,789	(65.8)
Non controlling interest	-	-	-	-	-	-	(245,274)	(21,202)	1,056.8	(431,971)	207,899	(307.8)
Total comprehensive income for the period	5,337,260	6,437,578	(17.1)	901,195	2,676,174	(66.3)	4,206,757	6,768,313	(37.8)	537,312	3,038,688	(82.3)

As at	Bank			Group		
	30-Jun-2020	31-Dec-2019 (Audited)	Change %	30-Jun-2020	31-Dec-2019 (Audited)	Change %
Assets						
Cash and cash equivalents	114,767,044	64,868,895	76.9	114,724,764	64,829,735	77.0
Balances with Central Banks	24,126,684	54,594,436	(55.8)	24,126,684	54,594,436	(55.8)
Placements with banks	14,537,308	44,476,343	(67.3)	14,501,389	47,911,621	(69.7)
Securities purchased under resale agreements	11,939,824	2,179,449	447.8	13,334,799	3,981,886	234.9
Derivative financial instruments	577,756	132,090	337.4	577,756	132,090	337.4
Financial assets recognized through profit or loss measured at fair value	7,328,526	10,055,415	(27.1)	8,315,088	11,052,769	(24.8)
Financial assets at amortized cost						
- loans and advances	1,758,793,620	1,549,804,871	13.5	1,788,177,136	1,580,949,025	13.1
- debt and other instruments	617,326,934	572,747,809	7.8	618,976,791	573,977,330	7.8
Financial assets - measured at fair value through other comprehensive income	12,298,907	14,236,090	(13.6)	14,385,509	17,016,553	(15.5)
Investment in Subsidiary companies	6,513,048	6,513,048	-	-	-	-
Investment in Associate companies	92,988	92,988	-	446,649	447,035	(0.1)
Investment properties	2,590,248	2,648,784	(2.2)	115,823	117,276	(1.2)
Property, plant and equipment	25,230,682	25,579,065	(1.4)	39,320,254	39,486,380	(0.4)
Leasehold properties	3,187,633	3,479,937	(8.4)	1,776,805	2,187,622	(18.8)
Intangible assets	1,089,775	1,127,007	(3.3)	1,270,330	1,361,858	(6.7)
Deferred tax assets	575,386	-	-	848,296	511,936	65.7
Other assets	79,755,499	62,580,402	27.4	80,764,369	63,926,060	26.3
Total assets	2,680,731,862	2,415,116,629	11.0	2,721,662,442	2,462,483,612	10.5
Liabilities						
Due to banks	5,188,105	2,669,407	94.4	5,288,405	2,932,950	80.3
Securities sold under repurchase agreements	38,175,224	34,183,210	11.7	37,595,161	34,880,507	7.8
Derivative financial instruments	54,974	106,677	(48.5)	54,974	106,677	(48.5)
Financial liabilities at amortized cost						
- due to depositors	2,203,441,071	2,005,211,794	9.9	2,222,853,511	2,025,204,033	9.8
- due to other borrowers	192,320,000	137,833,543	39.5	196,177,130	145,095,262	35.2
Debt securities issued	-	-	-	2,048,827	2,107,810	(2.8)
Current tax liabilities	-	-	-	153,941	138,677	11.0
Deferred tax liabilities	4,904,065	4,592,021	6.8	7,381,142	7,182,866	2.8
Insurance provision - Life	-	-	-	484,061	511,091	(5.3)
Insurance provision - Non life	-	-	-	447,407	358,504	24.8
Other liabilities	32,539,256	34,015,688	(4.3)	33,502,002	34,758,044	(3.6)
Subordinated liabilities	56,662,375	54,221,552	4.5	56,661,365	54,211,542	4.5
Total liabilities	2,533,285,070	2,272,833,892	11.5	2,562,647,926	2,307,487,963	11.1
Equity						
Share capital	25,000,000	25,000,000	-	25,000,000	25,000,000	-
Permanent reserve fund	13,383,000	13,383,000	-	13,383,000	13,383,000	-
OCI reserve	1,635,170	1,976,601	(17.3)	2,158,565	2,571,824	(16.1)
Retained earnings	93,298,801	87,689,480	6.4	93,936,485	89,140,565	5.4
Other reserves	14,129,821	14,233,656	(0.7)	23,011,338	23,115,173	(0.5)
Total equity attributable to equity holder of the Bank	147,446,792	142,282,737	3.6	157,489,388	153,210,562	2.8
Non controlling interest	-	-	-	1,525,128	1,785,087	(14.6)
Total equity	147,446,792	142,282,737	3.6	159,014,516	154,995,649	2.6
Total liabilities and equity	2,680,731,862	2,415,116,629	11.0	2,721,662,442	2,462,483,612	10.5
Contingent liabilities and commitments	440,769,370	508,217,961	(13.3)	445,000,645	516,632,979	(13.9)

STATEMENT OF CHANGES IN EQUITY- BANK

4

Rs. 000

	Share capital		Permanent reserve fund	OCI reserve	Other reserves		Retained earnings	Total Equity
	Share capital	Capital pending allotment			Other reserves	Revaluation reserve		
Balance as at 01 January 2019	20,000,000	5,000,000	12,890,000	1,838,194	2,681,679	11,698,270	67,333,879	121,442,022
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	-	6,948,343	6,948,343
Other comprehensive income, net of tax	-	-	-	(262,393)	(248,372)	-	-	(510,765)
Transfers to share capital	5,000,000	(5,000,000)	-	-	-	-	-	-
Dividends for the period	-	-	-	-	-	-	(173,205)	(173,205)
Balance as at 30 June 2019	25,000,000	-	12,890,000	1,575,801	2,433,307	11,698,270	74,109,017	127,706,395
Balance as at 01 January 2020	25,000,000	-	13,383,000	1,976,601	2,539,318	11,694,338	87,689,480	142,282,737
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	-	5,782,526	5,782,526
Other comprehensive income, net of tax	-	-	-	(341,431)	(103,835)	-	-	(445,266)
Dividends for the period	-	-	-	-	-	-	(173,205)	(173,205)
Balance as at 30 June 2020	25,000,000	-	13,383,000	1,635,170	2,435,483	11,694,338	93,298,801	147,446,792

STATEMENT OF CHANGES IN EQUITY -GROUP

Rs. 000

	Share capital		Permanent reserve fund	OCI reserve	Other reserves		Retained earnings	Non controlling interest	Total Equity
	Share capital	Capital pending allotment			Other reserves	Revaluation reserve			
Balance as at 01 January 2019	20,000,000	5,000,000	12,890,000	2,474,454	3,882,588	18,746,709	68,451,746	695,149	132,140,646
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	7,099,376	179,505	7,278,881
Other comprehensive income, net of tax	-	-	-	(150,611)	(359,175)	-	(7,973)	7,191	(510,568)
Transfers to share capital	5,000,000	(5,000,000)	-	-	-	-	-	-	-
Dividends for the period	-	-	-	-	-	-	(173,205)	-	(173,205)
Subsidiary dividends to non controlling interest	-	-	-	-	-	-	-	(13,669)	(13,669)
Loss of control of subsidiaries	-	-	-	-	-	-	-	797,794	797,794
Balance as at 30 June 2019	25,000,000	-	12,890,000	2,323,843	3,523,413	18,746,709	75,369,944	1,665,970	139,519,879
Balance as at 01 January 2020	25,000,000	-	13,383,000	2,571,824	3,827,349	19,287,824	89,140,565	1,785,087	154,995,649
Total comprehensive income for the year									
Profit for the period	-	-	-	-	-	-	4,987,738	(241,596)	4,746,142
Other comprehensive income, net of tax	-	-	-	(413,259)	(103,835)	-	(18,613)	(3,678)	(539,385)
Dividends for the period	-	-	-	-	-	-	(173,205)	-	(173,205)
Subsidiary dividends to non controlling interest	-	-	-	-	-	-	-	(14,685)	(14,685)
Balance as at 30 June 2020	25,000,000	-	13,383,000	2,158,565	3,723,514	19,287,824	93,936,485	1,525,128	159,014,516

STATEMENT OF CASH FLOWS

5

Rs.'000

For the six months ended 30 June	Bank		Group	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit before income tax	6,945,231	11,801,288	6,023,636	12,288,066
Adjustments for :				
Net interest income	(31,488,820)	(38,455,333)	(32,601,272)	(39,812,823)
Dividend income on trading securities	(24,112)	(54,460)	(24,112)	(54,460)
Dividends from Subsidiaries and Associates	-	(221,680)	-	-
Share of profits of Associate companies, net of tax	-	-	(23,369)	(19,783)
Change in operating assets	(170,435,236)	22,746,472	(169,959,186)	19,069,361
Change in operating liabilities	207,669,118	(1,720,847)	196,344,864	(2,102,659)
Other non cash items included in profit before tax	17,919,973	13,829,396	18,719,041	14,281,674
Other net (gains)/ losses from investing activities	(697,275)	322,761	(665,393)	357,231
	29,888,879	8,247,597	17,814,209	4,006,607
Contribution paid from defined benefit plans	(2,072,261)	(1,934,904)	(2,086,218)	(1,954,371)
Interest received	67,793,247	75,863,481	76,609,241	79,079,266
Interest paid	(77,163,912)	(66,894,031)	(79,285,808)	(68,658,402)
Dividends received	24,112	54,460	24,112	54,460
Net cash from/ (used in) operating activities before income tax	18,470,065	15,336,603	13,075,536	12,527,560
Income tax paid	(2,199,016)	(3,455,841)	(2,233,364)	(3,540,054)
Net cash from/ (used in) operating activities	16,271,049	11,880,762	10,842,172	8,987,506
Cash flows from investing activities				
Net (increase)/ decrease in financial investments at amortized cost	(43,172,874)	18,330,664	(43,593,210)	17,488,871
Net decrease in financial investments recognized through OCI	2,205,639	7,920,753	2,683,687	7,356,585
Purchase of property plant and equipment and leasehold properties	(1,426,560)	(1,572,567)	(1,492,644)	(1,687,475)
Purchase of intangible assets	(296,411)	(48,548)	(318,250)	(49,028)
Dividends received	170,971	393,434	279,471	198,474
Interest received	23,945,467	23,740,446	24,035,568	23,790,347
Net cash from/ (used in) investing activities	(18,573,768)	48,764,182	(18,405,378)	47,097,774
Cash flows from financing activities				
Net increase/ (decrease) in other borrowings	53,941,958	(45,748,330)	59,787,380	(41,277,250)
Proceeds from issue of debentures	-	3,000,000	-	3,000,000
Dividends paid to Government of Sri Lanka	(173,205)	(173,205)	(173,205)	(173,205)
Dividends paid to non controlling interest	-	-	(14,685)	(13,669)
Interest payments on borrowings and debt securities	(3,055,013)	(305,118)	(3,465,142)	(550,242)
Net cash from/ (used in) financing activities	50,713,740	(43,226,653)	56,134,348	(39,014,366)
Net increase in cash and cash equivalents during the period	48,411,021	17,418,291	48,571,142	17,070,915
Cash and cash equivalents at the beginning of the period	63,523,958	77,591,846	63,221,255	77,588,770
Cash and cash equivalents at the end of the period	111,934,979	95,010,137	111,792,397	94,659,685
Analysis of cash and cash equivalents				
Cash and cash equivalents	114,767,044	95,914,429	114,724,764	95,632,308
Bank overdrafts	(2,832,065)	(904,292)	(2,932,367)	(972,623)
Cash and cash equivalents at the end of the period	111,934,979	95,010,137	111,792,397	94,659,685

As at	Bank		Group	
	30-Jun-2020	31-Dec-2019	30-Jun-2020	31-Dec-2019
Net assets value per share (Rs)	5,897.87	5,691.31	6,299.58	6,128.42
Profitability				
Interest margin	2.47%	3.20%	2.52%	3.27%
Return on assets (before tax)	0.55%	1.26%	0.46%	1.28%
Return on equity (after tax)	7.98%	16.83%	6.05%	15.95%
Assets Quality				
Gross non - performing advances ratio, (Net of interest in suspense)	5.35%	4.79%		
Net non - performing advances ratio, (Net of interest in suspense and provisions)	2.09%	1.75%		
Investor Information				
Debt equity (%)	35.12	34.68		
Interest cover (times)	1.92	2.63		
Memorandum Information				
Number of employees	8,398	8,503		
Number of branches	581	581		

KEY REGULATORY RATIOS - CAPITAL AND LIQUIDITY

As at	Bank		Group	
	30-Jun-2020	31-Dec-2019	30-Jun-2020	31-Dec-2019
Regulatory Capital (Rs. ' 000)				
Common equity Tier 1	126,631,799	127,675,095	134,901,616	135,727,486
Tier 1 capital	126,631,799	127,675,095	134,901,616	135,727,486
Total capital	175,437,722	178,243,760	185,050,595	187,530,766
Regulatory Capital Ratios (%)				
Common equity Tier 1 capital ratio * (Minimum requirement, Basel III - 7.50%)	10.61%	11.16%	10.92%	11.38%
Tier I capital ratio * (Minimum requirement, Basel III - 9.00%)	10.61%	11.16%	10.92%	11.38%
Total capital ratio * (Minimum requirement, Basel III - 13.00%)	14.70%	15.58%	14.97%	15.72%
Leverage ratio (Minimum requirement - 3%)	4.46%	4.97%	4.68%	5.18%
Regulatory Liquidity				
Statutory liquid assets, - Domestic banking unit (Rs. ' 000)	676,711,860	547,432,530		
- Off-shore banking unit (US\$ 000)	580,593	717,216		
Total Stock of High Quality Liquid Assets (Rs ' 000)	436,905,906	370,026,325		
Statutory liquid assets ratio, (minimum requirement, 20%) - Domestic banking unit	31.29%	24.57%		
- Off-shore banking unit	21.36%	58.32%		
Liquidity coverage ratio - Rupee ** (Minimum requirement, 90.00%)	270.00%	188.19%		
Liquidity coverage ratio - All currency ** (Minimum requirement, 90.00%)	157.16%	125.62%		
Net stable funding ratio ** (Minimum requirement - 90%)	136.53%	135.71%		

* Minimum requirement as at 31.12.2019 : Common equity Tier 1 capital ratio 8.5%, Tier 1 capital ratio 10%, Total capital ratio 14%

** Minimum requirement as at 31.12.2019 : Liquidity coverage ratio - Rupee 100%, Liquidity coverage ratio - All currency 100%, Net stable funding ratio 100%

SHARE INFORMATION

Shareholder	30-Jun-2020		31-Dec-2019	
	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 interim condensed Financial Statements should be read in conjunction with the annual financial statements for the year ended 31 December 2019. 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 2019. However, these financial statements were prepared with the appropriate application of guidelines issued by CA Sri Lanka on the special treatments for SLFRS 09 application under COVID – 19 pandemic situation.
- III. No circumstances have arisen and no material events have occurred since the reporting date, which require disclosures or adjustments to the financial statements.
- IV. The outbreak and spread of the coronavirus globally since January 2020 has caused disruption to business and economic activities, and uncertainty to the global economy. Consequent to the diagnosis of COVID-19 virus within Sri Lanka many measures were introduced by the Sri Lankan Government and the Central Bank of Sri Lanka with a view to easing the pressure due to safety measures taken to face the pandemic situation. COVID -19 pandemic has had a significant impact on business operations of the Bank due to changes that took place in normal business practices. However, the Bank proactively adjusted to the situation very quickly and took all necessary steps to provide the customer services in best possible manner in this pandemic situation.

Initial provisional impact (day one impact) of Rs. 6.0 billion on deferment of recovery of loans both interest and capital as a result of the moratorium introduced by CBSL has been adjusted in these financial statement and the Bank will continue to support the measures taken to revive the economy and the safety of the customers and the staff also will be considered as being of paramount importance in conducting all operational activities.
- V. During the period there were no material changes in the composition of assets, liabilities and contingent liabilities.
- VI. All known expenses have been charged in these financial statements.
- VII. 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, Koladeniya Hydropower (Private) 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 2020 and its profit for the six-month period ended 30 June 2020.

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.
Lalith P Withana
Director
(Independent Non-Executive)

Sgd.
D P K Gunasekera
Actg. General Manager

13 August 2020
Colombo

As at 30 June	2020				
	Fair value through profit or loss	Amortised cost	Fair value through OCI	Others	Total
Financial assets					
Cash and cash equivalents	-	114,767,044	-	-	114,767,044
Balances with Central Banks	-	24,126,684	-	-	24,126,684
Placements with banks	-	14,537,308	-	-	14,537,308
Securities purchased under resale agreements	-	11,939,824	-	-	11,939,824
Derivative financial instruments	577,756	-	-	-	577,756
Loans and advances	-	1,758,793,620	-	-	1,758,793,620
Financial investments	7,328,526	617,326,934	12,298,907	-	636,954,367
Total financial assets	7,906,282	2,541,491,414	12,298,907	-	2,561,696,603
Other assets				119,035,259	119,035,259
Total assets	7,906,282	2,541,491,414	12,298,907	119,035,259	2,680,731,862

	Fair value through profit or loss	Amortised Cost	Others	Total
Financial liabilities				
Due to banks	-	5,188,105	-	5,188,105
Securities sold under repurchase agreements	-	38,175,224	-	38,175,224
Derivative financial instruments	54,974	-	-	54,974
Other financial liabilities held for trading	-	-	-	-
Due to depositors	-	2,203,441,071	-	2,203,441,071
Other borrowings	-	192,320,000	-	192,320,000
Debt securities issued	-	-	-	-
Subordinated liabilities	-	56,662,375	-	56,662,375
Total financial liabilities	54,974	2,495,786,775	-	2,495,841,749
Other liabilities	-	-	37,443,321	37,443,321
Total liabilities	54,974	2,495,786,775	37,443,321	2,533,285,070

As at 31 December	2019				
	Fair value through profit or loss	Amortised cost	Fair value through OCI	Others	Total
Financial assets					
Cash and cash equivalents	-	64,868,895	-	-	64,868,895
Balances with Central Banks	-	54,594,436	-	-	54,594,436
Placements with banks	-	44,476,343	-	-	44,476,343
Securities purchased under resale agreements	-	2,179,449	-	-	2,179,449
Derivative financial instruments	132,090	-	-	-	132,090
Loans and advances	-	1,549,804,871	-	-	1,549,804,871
Financial investments	10,055,415	572,747,809	14,236,090	-	597,039,314
Total financial assets	10,187,505	2,288,671,803	14,236,090	-	2,313,095,398
Other assets	-	-	-	102,021,231	102,021,231
Total assets	10,187,505	2,288,671,803	14,236,090	102,021,231	2,415,116,629

	Fair value through profit or loss	Amortised Cost	Others	Total
Financial liabilities				
Due to banks	-	2,669,407	-	2,669,407
Securities sold under repurchase agreements	-	34,183,210	-	34,183,210
Derivative financial instruments	106,677	-	-	106,677
Due to depositors	-	2,005,211,794	-	2,005,211,794
Other borrowings	-	137,833,543	-	137,833,543
Debt securities issued	-	-	-	-
Subordinated liabilities	-	54,221,552	-	54,221,552
Total financial liabilities	106,677	2,234,119,506	-	2,234,226,183
Other liabilities	-	-	38,607,709	38,607,709
Total liabilities	106,677	2,234,119,506	38,607,709	2,272,833,892

As at 30 June	2020				
	Fair value through profit or loss	Amortised cost	Fair value through OCI	Others	Total
Financial assets					
Cash and cash equivalents	-	114,724,764	-	-	114,724,764
Balances with Central Banks	-	24,126,684	-	-	24,126,684
Placements with banks	-	14,501,389	-	-	14,501,389
Securities purchased under resale agreements	-	13,334,799	-	-	13,334,799
Derivative financial instruments	577,756	-	-	-	577,756
Loans and advances	-	1,788,177,136	-	-	1,788,177,136
Financial investments	8,315,088	618,976,791	14,385,509	-	641,677,388
Total financial assets	8,892,844	2,573,841,563	14,385,509	-	2,597,119,916
Other assets	-	-	-	124,542,526	124,542,526
Total assets	8,892,844	2,573,841,563	14,385,509	124,542,526	2,721,662,442

	Fair value through profit or loss	Amortised cost	Others	Total
Financial liabilities				
Due to banks	-	5,288,405	-	5,288,405
Securities sold under repurchase agreements	-	37,595,161	-	37,595,161
Derivative financial instruments	54,974	-	-	54,974
Other financial liabilities held for trading	-	-	-	-
Due to depositors	-	2,222,853,511	-	2,222,853,511
Other borrowings	-	196,177,130	-	196,177,130
Debt securities issued	-	2,048,827	-	2,048,827
Subordinated liabilities	-	56,661,365	-	56,661,365
Total financial liabilities	54,974	2,520,624,399	-	2,520,679,373
Other liabilities	-	-	41,968,553	41,968,553
Total liabilities	54,974	2,520,624,399	41,968,553	2,562,647,926

As at 31 December	2019				
	Fair value through profit or loss	Amortised cost	Fair value through OCI	Others	Total
Financial assets					
Cash and cash equivalents	-	64,829,735	-	-	64,829,735
Balances with Central Banks	-	54,594,436	-	-	54,594,436
Placements with banks	-	47,911,621	-	-	47,911,621
Securities purchased under resale agreements	-	3,981,886	-	-	3,981,886
Derivative financial instruments	132,090	-	-	-	132,090
Loans and advances to customers	-	1,580,949,025	-	-	1,580,949,025
Financial investments	11,052,769	573,977,330	17,016,553	-	602,046,652
Total financial assets	11,184,859	2,326,244,033	17,016,553	-	2,354,445,445
Other assets	-	-	-	108,038,167	108,038,167
Total assets	11,184,859	2,326,244,033	17,016,553	108,038,167	2,462,483,612

	Fair value through profit or loss	Amortised cost	Others	Total
Financial liabilities				
Due to banks	-	2,932,950	-	2,932,950
Securities sold under repurchase agreements	-	34,880,507	-	34,880,507
Derivative financial instruments	106,677	-	-	106,677
Due to depositors	-	2,025,204,033	-	2,025,204,033
Other borrowings	-	145,095,262	-	145,095,262
Debt securities issued	-	2,107,810	-	2,107,810
Subordinated liabilities	-	54,211,542	-	54,211,542
Total financial liabilities	106,677	2,264,432,104	-	2,264,538,781
Other liabilities	-	-	42,949,182	42,949,182
Total liabilities	106,677	2,264,432,104	42,949,182	2,307,487,963

Description	Note	Interest payable frequency	Issue date	Maturity date	Coupon rate		Interest Rate of comparable Government security	Amount	
					30.06.2020	31.12.2019		Bank	
					%	%		30.06.2020	31.12.2019
							Rs '000	Rs '000	
Sri Lanka rupee debentures									
Fixed interest rate									
Unsecured, subordinated, redeemable debentures	a	Annually	25.10.2013	24.10.2021	13.25	13.25	5.49	1,304,891	1,226,594
Unsecured, subordinated, redeemable debentures	a	Annually	25.10.2013	24.10.2022	13.25	13.25	5.84	1,305,979	1,227,617
Unsecured, subordinated, redeemable debentures	a	Annually	25.10.2013	24.10.2023	13.75	13.75	6.16	1,746,531	1,638,142
Unsecured, subordinated, redeemable debentures	a	Annually	22.09.2014	21.09.2022	8.25	8.25	5.84	1,949,139	1,873,793
Unsecured, subordinated, redeemable debentures	a	Annually	06.10.2015	05.10.2020	8.25	8.25	5.09	305,813	293,991
Unsecured, subordinated, redeemable debentures	a	Quarterly	06.10.2015	05.10.2020	8.00	8.00	5.09	12,446	12,449
Unsecured, subordinated, redeemable debentures	a	Annually	06.10.2015	05.10.2023	9.50	9.50	6.16	1,261,239	1,205,580
Unsecured, subordinated, redeemable debentures	a	Annually	29.12.2016	28.12.2021	13.25	13.25	5.53	8,515,929	8,003,631
Unsecured, subordinated, redeemable debentures	a	Annually	29.12.2016	28.12.2024	12.75	12.75	6.49	832	784
Unsecured, subordinated, redeemable debentures	a	Annually	29.12.2017	28.12.2022	12.50	12.50	5.85	5,305,867	5,003,228
Unsecured, subordinated, redeemable debentures	a	Annually	29.12.2017	28.12.2025	12.75	12.75	6.74	5,311,797	5,003,289
Unsecured, subordinated, redeemable debentures	a	Annually	31.07.2018	30.07.2026	12.00	12.00	6.76	7,434,774	7,026,114
Unsecured, subordinated, redeemable debentures	a	Annually	03.12.2018	02.12.2023	12.00	12.00	6.21	5,657,327	5,346,308
Unsecured, subordinated, redeemable debentures	a	Annually	27.06.2019	26.06.2027	11.75	11.75	6.93	3,003,655	3,175,700
Unsecured, subordinated, redeemable debentures	a	Annually	17.07.2019	16.07.2024	11.80	11.80	6.46	1,166,892	1,103,765
Unsecured, subordinated, redeemable debentures	a	Annually	18.07.2019	17.07.2024	11.80	11.80	6.46	2,446,849	2,314,479
Unsecured, subordinated, redeemable debentures	a	Annually	23.07.2019	22.07.2024	11.80	11.80	6.46	2,776,146	2,626,021
Unsecured, subordinated, redeemable debentures	a	Annually	24.07.2019	23.07.2024	11.50	11.50	6.46	442,950	419,549
Unsecured, subordinated, redeemable debentures	a	Annually	26.07.2019	25.07.2027	11.75	11.75	6.93	67,815	64,162
								50,016,871	47,565,196
Floating interest rate									
Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 100 basis points)	a/b	Semi annually	25.10.2013	24.10.2021	7.80	8.66	5.49	1,014	1,016
Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 50 basis points)	a/b	Semi annually	22.09.2014	21.09.2022	8.32	8.25	5.84	31	31
Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 125 basis points)	a/b	Semi annually	06.10.2015	05.10.2020	8.35	8.98	5.18	4,563,905	4,571,357
Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 125 basis points)	a/b	Semi annually	06.10.2015	05.10.2023	8.35	8.98	6.16	2,079,514	2,082,911
Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 125 basis points)	a/b	Semi annually	29.12.2016	28.12.2021	6.78	9.27	5.53	1,020	1,021
Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 125 basis points)	a/b	Semi annually	29.12.2016	28.12.2024	6.78	9.27	6.49	20	20
								6,645,504	6,656,356
								56,662,375	54,221,552

Notes

- a) Debentures that are listed in the Colombo Stock Exchange. Some of these have been traded in the Colombo Stock Exchange during the period ended 30 June 2020
2016/2021 - (Highest Price - Rs. 101.00, Lowest Price - Rs. 101.00, Last Transaction Price - Rs. 101.00)
2016/2021 - (Highest Price - Rs. 98.00, Lowest Price - Rs. 98.00, Last Transaction Price - Rs. 98.00)
- b) Weighted average 6 months Treasury Bill interest rate before deducting relevant tax at the primary quotations as announced by the Central Bank of Sri Lanka, at the preceding week of the interest resetting date.

INFORMATION ON LISTED DEBENTURES

12

	01-Jan-2020 to 30-Jun-2020 Rs.	01-Jan-2019 to 31-Dec-2019 Rs.
Market Value		
BoC Debentures 2013/2023 , Unsecured, subordinated, redeemable, 8 years, fixed rate (13.25%)	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 8 years, floating rate (06 months TB rate (Gross) plus 100 basis points)	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 9 years, fixed rate (13.25%)	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 10 years, fixed rate (13.75%)	Not Traded	102.22
Highest	Not Traded	102.22
Lowest	Not Traded	102.22
Last transaction	Not Traded	102.22
BoC Debentures 2014/2022 , Unsecured, subordinated, redeemable, 5 years, fixed rate (8.00%)	Not Traded	97.31
Highest	Not Traded	97.30
Lowest	Not Traded	97.30
Last transaction	Not Traded	97.30
Unsecured, subordinated, redeemable, 5 years, fixed rate (7.75%)	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 5 years, floating rate (06 months TB rate (Gross) plus 50 basis points)	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 8 years, fixed rate (8.25%)	Not Traded	80.00
Highest	Not Traded	80.00
Lowest	Not Traded	80.00
Last transaction	Not Traded	80.00
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, 5 years, fixed rate (8.25%)	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 5 years, fixed rate (8.00%)	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 5 years, floating rate (06 months TB rate (Gross) plus 125 basis points)	Not Traded	98.50
Highest	Not Traded	97.00
Lowest	Not Traded	97.00
Last transaction	Not Traded	97.00
Unsecured, subordinated, redeemable, 8 years, fixed rate (9.50%)	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 8 years, floating rate (06 months TB rate (Gross) plus 125 basis points)	Not Traded	Not Traded
BoC Debentures 2016/2024		
Unsecured, subordinated, redeemable, 5 years, fixed rate (13.25%)	101.00	100.46
Highest	101.00	98.20
Lowest	101.00	100.34
Last transaction	101.00	100.34
Unsecured, subordinated, redeemable, 5 years, floating rate (06 months TB rate (Gross) plus 125 basis points)	Not Traded	Not Traded
Highest	98.00	Not Traded
Lowest	98.00	Not Traded
Last transaction	98.00	Not Traded
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-June-2019 %	31-Dec-2019 %
Interest yield as at date of last trade done		
BoC Debentures 2013/2023 ,		
8 years, fixed rate (13.25%)	Not Traded	Not Traded
8 years, floating rate (06 months TB rate (Gross) plus 100 basis points)	Not Traded	Not Traded
9 years, fixed rate (13.25%)	Not Traded	Not Traded
10 years, fixed rate (13.75%)	Not Traded	13.00
BoC Debentures 2014/2022 ,		
5 years, fixed rate (8.00%)	Not Traded	12.50
5 years, fixed rate (7.75%)	Not Traded	Not Traded
5 years, floating rate (06 months TB rate (Gross) plus 50 basis points)	Not Traded	Not Traded
8 years, fixed rate (8.25%)	Not Traded	16.56
8 years, floating rate (06 months TB rate (Gross) plus 50 basis points)	Not Traded	Not Traded
BoC Debentures 2015/2023 ,		
5 years, fixed rate (8.25%)	Not Traded	Not Traded
5 years, fixed rate (8.00%)	Not Traded	Not Traded
5 years, floating rate (06 months TB rate (Gross) plus 125 basis points)	Not Traded	13.08
8 years, fixed rate (9.50%)	Not Traded	Not Traded
8 years, floating rate (06 months TB rate (Gross) plus 125 basis points)	Not Traded	Not Traded
BoC Debentures 2016/2024 ,		
5 years, fixed rate (13.25%)	12.60	13.02
5 years, floating rate (06 months TB rate (Gross) plus 125 basis points)	11.99	Not Traded
8 years, fixed rate (12.75%)	Not Traded	Not Traded
8 years, floating rate (06 months TB rate (Gross) plus 125 basis points)	Not Traded	Not Traded
Yield to maturity of last trade done		
BoC Debentures 2013/2023 ,		
8 years, fixed rate (13.25%)	Not Traded	Not Traded
8 years, floating rate (06 months TB rate (Gross) plus 100 basis points)	Not Traded	Not Traded
9 years, fixed rate (13.25%)	Not Traded	Not Traded
10 years, fixed rate (13.75%)	Not Traded	13.04
BoC Debentures 2014/2022 ,		
5 years, fixed rate (8.00%)	Not Traded	12.67
5 years, fixed rate (7.75%)	Not Traded	Not Traded
5 years, floating rate (06 months TB rate (Gross) plus 50 basis points)	Not Traded	Not Traded
8 years, fixed rate (8.25%)	Not Traded	16.06
8 years, floating rate (06 months TB rate (Gross) plus 50 basis points)	Not Traded	Not Traded
BoC Debentures 2015/2023 ,		
5 years, fixed rate (8.25%)	Not Traded	Not Traded
5 years, fixed rate (8.00%)	Not Traded	Not Traded
5 years, floating rate (06 months TB rate (Gross) plus 125 basis points)	Not Traded	13.24
8 years, fixed rate (9.50%)	Not Traded	Not Traded
8 years, floating rate (06 months TB rate (Gross) plus 125 basis points)	Not Traded	Not Traded
BoC Debentures 2016/2024 ,		
5 years, fixed rate (13.25%)	12.67	13.10
5 years, floating rate (06 months TB rate (Gross) plus 125 basis points)	11.92	Not Traded
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	
	30.06.2020 Rs '000	31.12.2019 Rs '000	30.06.2020 Rs '000	31.12.2019 Rs '000
Gross loans and receivables	1,872,354,332	1,648,760,589	1,904,602,209	1,682,589,120
Stage 1	1,583,544,127	1,380,927,013	1,601,501,150	1,396,100,809
Stage 2	97,733,568	101,146,342	101,967,759	106,780,647
Stage 3	191,076,637	166,687,234	201,133,300	179,707,664
Less : Accumulated impairment	113,560,712	98,955,718	116,425,073	101,640,095
Stage 1	8,869,369	6,954,029	9,000,803	7,087,327
Stage 2	10,850,408	9,530,117	10,971,223	9,646,175
Stage 3	93,840,935	82,471,572	96,453,047	84,906,593
Net loans and advances	1,758,793,620	1,549,804,871	1,788,177,136	1,580,949,025

2) Loans and advances to customers - By product

As at	Bank		Group	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Local currency				
Overdrafts	316,305,338	237,239,577	316,238,062	237,161,078
Term loans	461,271,485	452,776,469	467,544,843	459,252,615
Lease rentals receivable	38,103,152	39,233,313	54,869,678	56,081,004
Credit cards	5,094,673	5,037,574	5,094,673	5,037,574
Pawning	69,642,259	69,089,836	70,975,757	70,703,614
Loans under schemes	89,174,322	76,944,532	90,156,628	77,930,003
Housing loans	76,785,086	76,065,512	77,986,120	77,960,039
Trade finance	55,825,168	61,494,354	56,626,825	61,719,233
Personal loans	228,548,846	214,236,288	229,850,744	215,814,602
Staff loans	21,956,534	20,701,770	22,747,566	21,690,284
Foreclosed properties	1,707,785	1,523,199	1,707,785	1,523,199
Other loans	23,096,448	9,618,713	23,096,448	9,618,713
Total local currency loans and advances	1,387,511,096	1,263,961,137	1,416,895,129	1,294,491,959
Foreign currency				
Overdrafts	29,588,564	33,887,024	30,190,810	34,875,569
Term loans	412,366,559	312,849,314	413,683,579	314,743,459
Trade finance	38,501,180	34,715,177	39,436,053	35,120,389
Lease rentals receivable	463,177	237,828	463,177	237,828
Housing loans	437,122	376,549	437,122	376,549
Staff loans	12,026	14,506	21,731	24,314
Foreclosed properties	3,581	4,487	3,581	4,487
Other loans	3,471,027	2,714,567	3,471,027	2,714,567
Total foreign currency loans and advances	484,843,236	384,799,452	487,707,080	388,097,161
Total loans and advances to customers	1,872,354,332	1,648,760,589	1,904,602,209	1,682,589,120

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)	6,954,029	9,530,117	82,471,572	98,955,718
Charge / reversal during the period	1,924,166	1,271,918	13,366,891	16,562,975
Amount recovered during the period	-	-	(1,901,031)	(1,901,031)
Exchange rate variance on foreign currency impairment	(8,826)	48,373	17,403	56,950
Amount written-off during the period	-	-	(1,001)	(1,001)
Other movements	-	-	(112,899)	(112,899)
Closing balance as at 30 June 2020	8,869,369	10,850,408	93,840,935	113,560,712
	Group			
	Stage 1	Stage 2	Stage 3	Total
Opening balance (01 January)	7,087,327	9,646,175	84,906,593	101,640,095
Charge / reversal during the period	1,927,869	1,276,675	13,543,982	16,748,526
Amount recovered during the period	-	-	(1,901,031)	(1,901,031)
Exchange rate variance on foreign currency impairment	(8,826)	48,373	17,403	56,950
Amount written-off during the period	-	-	(1,001)	(1,001)
Other movements	(5,567)	-	(112,899)	(118,466)
Closing balance as at 30 June 2020	9,000,803	10,971,223	96,453,047	116,425,073

Rs.'000

4) Contingent liabilities and commitments

As at	Bank		Group	
	30-June-2020	31-Dec-2019	30-June-2020	31-Dec-2019
By product - Domestic currency				
Acceptances and documentary credits	22,867,189	15,101,829	22,867,189	15,101,829
Bills for collection	3,689,290	4,270,512	3,689,290	4,270,512
Forward exchange contracts	36,111,768	22,667,091	36,111,768	22,667,091
Guarantees	67,223,346	63,531,860	67,230,419	63,611,710
Undrawn and undisbursed facilities	93,078,715	115,693,285	93,078,715	115,693,285
Other commitments	10,332,190	10,275,961	18,385,325	18,352,762
Total domestic currency contingent liabilities and commitments	233,302,498	231,540,538	241,362,706	239,697,189
By product - Foreign currency				
Acceptances and documentary credits	117,344,120	200,897,287	117,421,653	200,950,618
Bills for collection	14,741,569	16,021,119	14,741,569	16,021,119
Forward exchange contracts	4,920,704	5,774,592	4,920,704	5,774,592
Guarantees	46,351,067	37,593,000	46,388,165	37,631,478
Undrawn and undisbursed facilities	22,199,384	14,491,789	22,255,820	14,658,347
Other commitments	1,910,028	1,899,636	1,910,028	1,899,636
Total foreign currency contingent liabilities and commitments	207,466,872	276,677,423	207,637,939	276,935,790
Total Contingent liabilities and commitments	440,769,370	508,217,961	449,000,645	516,632,979

5) Financial liabilities at amortised cost

Due to depositors - By product

As at	Bank		Group	
	30-June-2020	31-Dec-2019	30-June-2020	31-Dec-2019
Local currency				
Demand deposits (current accounts)	113,623,969	103,815,364	113,285,485	103,681,039
Savings deposits	475,092,116	411,614,032	475,998,368	412,461,931
Time deposits	1,119,294,825	1,000,720,894	1,136,833,697	1,018,434,307
Other deposits	2,315,087	2,038,367	2,315,087	2,042,887
Total local currency deposits	1,710,325,997	1,518,188,657	1,728,432,637	1,536,620,164
Foreign currency				
Demand deposits (current accounts)	21,835,601	29,604,754	22,642,430	30,671,680
Savings deposits	93,259,090	91,337,588	93,651,511	91,720,706
Time deposits	377,432,508	364,794,113	377,539,058	364,904,801
Other deposits	587,875	1,286,682	587,875	1,286,682
Total foreign currency deposits	493,115,074	487,023,137	494,420,874	488,583,869
Total due to depositors	2,203,441,071	2,005,211,794	2,222,853,511	2,025,204,033

Rs. '000

For the six months ended 30th June	Retail banking		Corporate banking		International, treasury and investment		Group functions		Unallocated		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue from external customers:												
Net interest income	14,288,820	20,855,781	9,417,610	11,604,853	7,962,093	6,383,633	999,157	1,394,338	(66,408)	(425,782)	32,601,272	39,812,823
Net fee and commission income	3,342,630	3,209,694	719,829	1,425,533	353,688	570,499	124,211	157,789	249,791	332,111	4,790,149	5,695,626
Other income	214,204	126,597	1,256,754	(1,518,332)	2,101,119	959,998	1,129,498	904,849	(1,389,693)	(184,928)	3,311,882	288,184
Total operating income	17,845,654	24,192,072	11,394,193	11,512,054	10,416,900	7,914,130	2,252,866	2,456,976	(1,206,310)	(278,599)	40,703,303	45,796,633
Expenses :												
Impairment (charge)/ reversal for loans and other losses	(5,584,551)	(4,705,292)	(8,469,580)	(5,361,369)	(1,253,106)	(104,760)	(229,920)	(157,531)	(284,629)	(202,939)	(15,821,786)	(10,531,891)
Total operating expenses	(10,001,547)	(11,314,549)	(2,743,098)	(2,509,789)	(2,147,183)	(2,328,892)	(2,059,912)	(1,969,125)	86,041	192,067	(16,865,699)	(17,930,288)
Total expenses	(15,586,098)	(16,019,841)	(11,212,678)	(7,871,158)	(3,400,289)	(2,433,652)	(2,289,832)	(2,126,656)	(198,588)	(10,872)	(32,687,485)	(28,462,179)
Operating profit before taxes on financial services	2,259,556	8,172,231	181,515	3,640,896	7,016,611	5,480,478	(36,966)	330,320	(1,404,898)	(289,471)	8,015,818	17,334,454
Taxes on financial services											(2,015,551)	(5,066,171)
Operating profit after taxes on financial services											6,000,267	12,268,283
Share of profits/ (losses) of associate companies, net of tax							23,369	19,783			23,369	19,783
Profit/(loss) before income tax	2,259,556	8,172,231	181,515	3,640,896	7,016,611	5,480,478	(13,597)	350,103	(1,404,898)	(289,471)	6,023,636	12,288,066
Income tax expense											(1,277,494)	(5,009,185)
Profit for the period											4,746,142	7,278,881
Total assets	725,906,198	701,874,242	1,059,186,297	767,923,404	744,811,611	663,779,805	81,225,056	77,619,154	110,533,280	72,943,942	2,721,662,442	2,284,140,547
Total liabilities	685,979,587	661,739,927	1,000,928,468	724,012,290	703,845,156	625,823,792	68,559,780	64,667,926	103,334,935	68,376,734	2,562,647,926	2,144,620,669
Cash flows from / (used in) operating activities	2,891,762	2,761,695	4,219,436	3,021,581	2,967,075	2,611,803	323,573	305,411	440,326	287,016	10,842,172	8,987,506
Cash flows from / (used in) investing activities	(4,908,977)	14,472,277	(7,162,800)	15,834,176	(5,036,826)	13,686,790	(549,288)	1,600,466	(747,487)	1,504,065	(18,405,378)	47,097,774
Cash flows from / (used in) financing activities	15,026,261	(12,038,196)	21,925,160	(13,171,038)	15,417,603	(11,384,819)	1,501,790	(1,176,422)	2,263,534	(1,243,891)	56,134,348	(39,014,366)
Capital expenditure to non-current assets	-	-	-	-	-	-	-	-	-	-	1,810,894	1,736,503
Depreciation and amortization expenses	565,514	545,278	825,154	596,591	580,242	515,683	206,051	131,641	(45,706)	261,733	2,131,255	2,050,926

During the period from 01.01.2015 to 30.06.2020

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.							