



**INTERIM FINANCIAL STATEMENTS**  
**for the six-month period ended 30 June 2023**  
**(Un-audited)**

**Bank of Ceylon**

Fitch Ratings: A(lka)

## **Financial commentary for the six-month period ended 30 June 2023**

- Total Assets base of Rs. 4.0 trillion
- Total Deposit base of Rs. 3.4 trillion
- Gross loans and advances of Rs. 2.1 trillion

The interest income of the Bank grew by 32% to Rs. 259.7 billion primarily due to increase in AWPLR compared to the corresponding period of the previous year. However, interest expenses outpaced by 98% as the funding mix got repriced at higher rates, resulting in high cost of funding and led to 65% decline in net interest income compared to H1-2022 since the Bank has not transferred the full impact of the increase in the market interests to its loyal customers in helping them to revive their businesses in trying times despite headwinds to the Bank's current operating environment.

Net fee and commission income amounted to Rs. 8.7 billion with 11% 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 H1-2023 in line with the 15% LKR appreciation.

In previous years, the Bank ensured the adequate expected loss is provided to capture the increased credit risk of the customers backed by changes in the local and global economy. The Business revival activities, stringent credit monitoring and appreciation of Rupee caused a net reversal in the impairment provision during the period. However, the Bank continued to apply the Management overlays to identify risk elevated industries which resulted significant increases in credit risk due to spillover of economic turmoil prevailed in the country, and exposures to those industries were assessed as underperforming to account for life time credit losses on prudent basis. 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 period reported an increase of 12% in the backdrop of cost escalation due to inflation. Accordingly, the Bank has reported the PBT of Rs. 10.5 billion with 52% decline over H1-2022.

At the end of H1-2023, the Bank's asset base recorded a negative growth of 7% and stood at Rs. 4.0 trillion 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. 3.4 trillion as of end June 2023.

Despite many adverse headwinds, the Bank has complied with regulatory capital requirements over and above the stipulated norms by maintaining the Tier I Capital Adequacy Ratio of 12.83% and Total Capital Adequacy Ratio of 15.64%. Meanwhile, all the liquidity ratios also improved given the positive liquidity vibes prevailed in the market during the period under review.

## STATEMENT OF PROFIT OR LOSS

Rs. 000

30 June	Bank						Group					
	For the period ended			For the quarter ended			For the period ended			For the quarter ended		
	2023	2022	Change %	2023	2022	Change %	2023	2022	Change %	2023	2022	Change %
<b>Total income</b>	<b>261,088,002</b>	<b>231,886,427</b>	<b>12.6</b>	<b>121,859,720</b>	<b>126,911,287</b>	<b>(4.0)</b>	<b>265,664,881</b>	<b>235,337,995</b>	<b>12.9</b>	<b>124,732,087</b>	<b>128,395,802</b>	<b>(2.9)</b>
Interest income	259,673,279	197,517,724	31.5	121,895,393	112,172,631	8.7	263,850,692	200,643,859	31.5	124,762,518	113,677,278	9.8
Interest expenses	(231,106,236)	(116,707,924)	98.0	(111,982,080)	(71,168,706)	57.3	(233,073,775)	(117,992,625)	97.5	(113,719,147)	(71,914,328)	58.1
<b>Net interest income</b>	<b>28,567,043</b>	<b>80,809,800</b>	<b>(64.6)</b>	<b>9,913,313</b>	<b>41,003,925</b>	<b>(75.8)</b>	<b>30,776,917</b>	<b>82,651,234</b>	<b>(62.8)</b>	<b>11,043,371</b>	<b>41,762,950</b>	<b>(73.6)</b>
Fee and commission income	12,558,699	10,685,803	17.5	6,025,457	5,503,452	9.5	12,730,670	10,834,225	17.5	6,105,913	5,586,724	9.3
Fee and commission expenses	(3,872,812)	(2,840,209)	36.4	(1,774,643)	(1,584,728)	12.0	(3,885,280)	(2,856,922)	36.0	(1,786,077)	(1,588,052)	12.5
<b>Net fee and commission income</b>	<b>8,685,887</b>	<b>7,845,594</b>	<b>10.7</b>	<b>4,250,814</b>	<b>3,918,724</b>	<b>8.5</b>	<b>8,845,390</b>	<b>7,977,303</b>	<b>10.9</b>	<b>4,319,836</b>	<b>3,998,672</b>	<b>8.0</b>
Net gains/ (losses) from trading	(6,663,773)	14,281,087	(146.7)	(3,201,843)	7,705,958	(141.6)	(6,566,917)	14,293,777	(145.9)	(3,154,769)	7,721,785	(140.9)
Net fair value gains/ (losses) from financial instruments at fair value through profit or loss	459,976	(2,439,298)	(118.9)	(105,466)	(535,183)	(80.3)	570,175	(2,617,314)	(121.8)	(6,647)	(592,431)	(98.9)
Net gains/(losses) on derecognition of financial assets	1,006,131	227,074	343.1	408,816	155,104	163.6	1,013,538	227,074	346.3	409,735	155,104	164.2
Other operating income	(5,946,310)	11,614,037	(151.2)	(3,162,637)	1,909,325	(265.6)	(5,933,277)	11,956,374	(149.6)	(3,384,663)	1,847,342	(283.2)
	<b>(11,143,976)</b>	<b>23,682,900</b>	<b>(147.1)</b>	<b>(6,061,130)</b>	<b>9,235,204</b>	<b>(165.6)</b>	<b>(10,916,481)</b>	<b>23,859,911</b>	<b>(145.8)</b>	<b>(6,136,344)</b>	<b>9,131,800</b>	<b>(167.2)</b>
<b>Total operating income</b>	<b>26,108,954</b>	<b>112,338,294</b>	<b>(76.8)</b>	<b>8,102,997</b>	<b>54,157,853</b>	<b>(85.0)</b>	<b>28,705,826</b>	<b>114,488,448</b>	<b>(74.9)</b>	<b>9,226,863</b>	<b>54,893,422</b>	<b>(83.2)</b>
Impairment (charge)/ reversal												
Loans and advances	5,059,713	(49,528,011)	(110.2)	6,293,244	(22,394,608)	(128.1)	4,962,934	(49,853,377)	(110.0)	6,256,545	(22,761,315)	(127.5)
Other financial assets	8,032,764	(14,242,275)	(156.4)	7,867,457	(4,539,695)	(273.3)	8,104,069	(14,747,672)	(155.0)	7,938,762	(5,038,766)	(257.6)
<b>Net operating income</b>	<b>39,201,431</b>	<b>48,568,008</b>	<b>(19.3)</b>	<b>22,263,698</b>	<b>27,223,550</b>	<b>(18.2)</b>	<b>41,772,829</b>	<b>49,887,399</b>	<b>(16.3)</b>	<b>23,422,170</b>	<b>27,093,341</b>	<b>(13.6)</b>
<b>Operating expenses</b>												
Personnel expenses	(14,080,273)	(13,606,086)	3.5	(7,258,138)	(7,068,360)	2.7	(15,286,960)	(14,731,412)	3.8	(7,870,963)	(7,692,178)	2.3
Depreciation and amortisation	(1,773,707)	(1,926,560)	(7.9)	(890,382)	(955,395)	(6.8)	(1,924,585)	(1,972,006)	(2.4)	(971,733)	(992,029)	(2.0)
Other expenses	(8,349,690)	(5,993,848)	39.3	(4,278,008)	(3,334,715)	28.3	(9,135,970)	(6,842,837)	33.5	(4,722,420)	(3,443,368)	37.1
<b>Total operating expenses</b>	<b>(24,203,670)</b>	<b>(21,526,494)</b>	<b>12.4</b>	<b>(12,426,528)</b>	<b>(11,358,470)</b>	<b>9.4</b>	<b>(26,347,515)</b>	<b>(23,546,255)</b>	<b>11.9</b>	<b>(13,565,116)</b>	<b>(12,127,575)</b>	<b>11.9</b>
<b>Operating profit before taxes on financial services</b>	<b>14,997,761</b>	<b>27,041,514</b>	<b>(44.5)</b>	<b>9,837,170</b>	<b>15,865,080</b>	<b>(38.0)</b>	<b>15,425,314</b>	<b>26,341,144</b>	<b>(41.4)</b>	<b>9,857,054</b>	<b>14,965,766</b>	<b>(34.1)</b>
<b>Taxes on Financial Services</b>												
Value Added Tax (VAT) on financial services	(3,907,945)	(5,191,331)	(24.7)	(2,329,870)	(2,890,354)	(19.4)	(3,956,897)	(5,249,320)	(24.6)	(2,364,354)	(2,868,483)	(17.6)
Social Security Contribution Levy (SSCL)	(624,780)	-	-	(372,379)	-	-	(632,599)	-	-	(378,058)	-	-
<b>Operating profit after taxes on financial services</b>	<b>10,465,036</b>	<b>21,850,183</b>	<b>(52.1)</b>	<b>7,134,921</b>	<b>12,974,726</b>	<b>(45.0)</b>	<b>10,835,818</b>	<b>21,091,824</b>	<b>(48.6)</b>	<b>7,114,642</b>	<b>12,097,283</b>	<b>(41.2)</b>
Share of profits/ (losses) of Associate companies, net of tax	-	-	-	-	-	-	28,288	70,283	(59.8)	3,534	32,896	(89.3)
<b>Profit before income tax</b>	<b>10,465,036</b>	<b>21,850,183</b>	<b>(52.1)</b>	<b>7,134,921</b>	<b>12,974,726</b>	<b>(45.0)</b>	<b>10,864,106</b>	<b>21,162,107</b>	<b>(48.7)</b>	<b>7,118,176</b>	<b>12,130,179</b>	<b>(41.3)</b>
Income tax expense	(1,952,716)	(5,935,664)	(67.1)	(1,932,004)	(2,524,359)	(23.5)	(2,114,560)	(6,026,280)	(64.9)	(2,019,614)	(2,549,549)	(20.8)
<b>Profit for the period</b>	<b>8,512,320</b>	<b>15,914,519</b>	<b>(46.5)</b>	<b>5,202,917</b>	<b>10,450,367</b>	<b>(50.2)</b>	<b>8,749,546</b>	<b>15,135,827</b>	<b>(42.2)</b>	<b>5,098,562</b>	<b>9,580,630</b>	<b>(46.8)</b>
<b>Profit attributable to:</b>												
Equity holder of the Bank	8,512,320	15,914,519	(46.5)	5,202,917	10,450,367	(50.2)	8,775,480	15,260,187	(42.5)	5,111,960	9,647,365	(47.0)
Non controlling interest	-	-	-	-	-	-	(25,934)	(124,360)	(79.1)	(13,398)	(66,735)	(79.9)
<b>Profit for the period</b>	<b>8,512,320</b>	<b>15,914,519</b>	<b>(46.5)</b>	<b>5,202,917</b>	<b>10,450,367</b>	<b>(50.2)</b>	<b>8,749,546</b>	<b>15,135,827</b>	<b>(42.2)</b>	<b>5,098,562</b>	<b>9,580,630</b>	<b>(46.8)</b>
<b>Earnings per share:</b>												
Basic earnings per share (Rs.)	340.49	636.58	(46.5)	208.12	418.01	(50.2)	351.02	610.41	(42.5)	204.48	385.89	(47.0)
Diluted earnings per share (Rs.)	330.83	636.58	(48.0)	202.21	418.01	(51.6)	341.06	610.41	(44.1)	198.68	385.89	(48.5)

## STATEMENT OF COMPREHENSIVE INCOME

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Rs. 000

30 June	Bank						Group					
	For the period ended			For the quarter ended			For the period ended			For the quarter ended		
	2023	2022	Change %	2023	2022	Change %	2023	2022	Change %	2023	2022	Change %
<b>Profit for the period</b>	<b>8,512,320</b>	<b>15,914,519</b>	<b>(46.5)</b>	<b>5,202,917</b>	<b>10,450,367</b>	<b>(50.2)</b>	<b>8,749,546</b>	<b>15,135,827</b>	<b>(42.2)</b>	<b>5,098,562</b>	<b>9,580,630</b>	<b>(46.8)</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	(2,617,254)	7,938,546	(133.0)	(942,931)	2,890,995	(132.6)	(3,211,163)	10,114,006	(131.7)	(1,095,545)	3,400,388	(132.2)
Net gains/ (losses) on cashflow hedge instruments	(9,254,339)	13,979,271	(166.2)	(4,447,080)	12,804,173	(134.7)	(9,254,339)	13,979,271	(166.2)	(4,447,080)	12,804,173	(134.7)
Net gains/ (losses) on investments in debt instruments measured at FVTOCI	(112,955)	1,155,885	(109.8)	(27,494)	2,287,947	(101.2)	(7,503)	1,136,878	(100.7)	77,861	2,301,420	(96.6)
Net (gains)/ losses on FVTOCI financial investments reclassification to profit or loss	-	(5,631)	(100.0)	-	(2,878)	(100.0)	-	(5,631)	(100.0)	-	(2,878)	(100.0)
Deferred tax effect on net gains/ (losses) on investments in debt instruments measured at FVTOCI	(65,997)	(189,407)	(65.2)	(41,652)	(504,986)	(91.8)	(65,997)	(189,407)	(65.2)	(41,652)	(505,236)	(91.8)
Share of other comprehensive income of Associate companies, net of tax	-	-	-	-	-	-	2,474	(49,957)	(105.0)	22,816	(21,050)	(208.4)
	(12,050,545)	22,878,664	(152.7)	(5,459,157)	17,475,251	(131.2)	(12,536,528)	24,985,160	(150.2)	(5,483,600)	17,976,817	(130.5)
<b>Items that will not be reclassified to profit or loss</b>												
Change in fair value on investments in equity instruments measured at FVTOCI	692,548	(600,210)	(215.4)	285,607	(722,833)	(139.5)	1,179,572	(709,218)	(266.3)	301,600	(731,596)	(141.2)
Deferred tax effect on change in fair value on investments in equity instruments measured at FVTOCI	36,096	(286,130)	(112.6)	(11,815)	(46,597)	(74.6)	36,096	(286,130)	(112.6)	(11,815)	(46,597)	(74.6)
Re-measurement of post-employment benefit obligations	-	-	-	-	-	-	2,160	683	216.3	58	(2,004)	(102.9)
Deferred tax effect on post-employment benefit obligations	-	-	-	-	-	-	(649)	(756)	(14.2)	(19)	(111)	(82.9)
Changes in revaluation surplus/ (deficit)	-	-	-	(3,200)	-	-	-	-	-	(3,200)	-	-
Deferred tax effect on revaluation surplus/ (deficit)	-	-	-	-	-	-	-	-	-	-	-	-
	728,644	(886,340)	(182.2)	270,592	(769,430)	(135.2)	1,217,179	(995,421)	(222.3)	286,624	(780,308)	(136.7)
<b>Other comprehensive income for the period, net of tax</b>	<b>(11,321,901)</b>	<b>21,992,324</b>	<b>(151.5)</b>	<b>(5,188,565)</b>	<b>16,705,821</b>	<b>(131.1)</b>	<b>(11,319,349)</b>	<b>23,989,739</b>	<b>(147.2)</b>	<b>(5,196,976)</b>	<b>17,196,509</b>	<b>(130.2)</b>
<b>Total comprehensive income for the period</b>	<b>(2,809,581)</b>	<b>37,906,843</b>	<b>(107.4)</b>	<b>14,352</b>	<b>27,156,188</b>	<b>(99.9)</b>	<b>(2,569,803)</b>	<b>39,125,566</b>	<b>(106.6)</b>	<b>(98,414)</b>	<b>26,777,139</b>	<b>(100.4)</b>
<b>Attributable to:</b>												
Equity holder of the Bank	(2,809,581)	37,906,843	(107.4)	14,352	27,156,188	(99.9)	(2,552,720)	39,256,682	(106.5)	(86,004)	26,840,955	(100.3)
Non controlling interest	-	-	-	-	-	-	(17,083)	(131,116)	(87.0)	(12,410)	(63,816)	(80.6)
<b>Total comprehensive income for the period</b>	<b>(2,809,581)</b>	<b>37,906,843</b>	<b>(107.4)</b>	<b>14,352</b>	<b>27,156,188</b>	<b>(99.9)</b>	<b>(2,569,803)</b>	<b>39,125,566</b>	<b>(106.6)</b>	<b>(98,414)</b>	<b>26,777,139</b>	<b>(100.4)</b>

Rs. 000

As at	Bank			Group		
	30-Jun-2023	31-Dec-2022 (Audited)	Change %	30-Jun-2023	31-Dec-2022 (Audited)	Change %
<b>Assets</b>						
Cash and cash equivalents	116,025,588	128,401,532	(9.6)	123,494,051	135,230,827	(8.7)
Balances with Central Banks	89,469,780	70,494,529	26.9	89,469,780	70,494,529	26.9
Placements with banks	39,364,772	16,459,303	139.2	40,585,813	17,811,665	127.9
Securities purchased under resale agreements	903,755	1,480,403	(39.0)	996,980	1,463,368	(31.9)
Derivative financial instruments	36,577,387	57,155,486	(36.0)	36,577,387	57,155,486	(36.0)
Financial assets recognized through profit or loss measured at fair value	37,506,883	10,280,055	264.9	40,102,552	10,636,190	277.0
Financial assets at amortized cost						
- loans and advances	2,082,899,076	2,325,594,329	(10.4)	2,110,005,741	2,355,978,333	(10.4)
- debt and other instruments	1,451,079,611	1,555,897,307	(6.7)	1,457,035,526	1,562,373,679	(6.7)
Financial assets - measured at fair value through other comprehensive income	9,115,614	8,690,802	4.9	11,557,714	10,750,044	7.5
Investment in Subsidiary companies	8,181,138	8,181,138	-	-	-	-
Investment in Associate companies	92,988	92,988	-	765,766	684,536	11.9
Investment properties	2,414,640	2,414,640	-	101,491	104,798	(3.2)
Property, plant and equipment	35,166,672	34,845,004	0.9	50,839,816	50,992,323	(0.3)
Right of Use Asset/ Leasehold properties	3,528,970	3,002,305	17.5	2,611,330	2,624,300	(0.5)
Intangible assets	1,611,467	1,442,433	11.7	1,736,609	1,593,344	9.0
Deferred tax assets	13,366,030	15,577,466	(14.2)	13,528,202	15,598,541	(13.3)
Other assets	110,287,652	96,449,984	14.3	111,317,333	97,276,598	14.4
<b>Total assets</b>	<b>4,037,592,023</b>	<b>4,336,459,704</b>	<b>(6.9)</b>	<b>4,090,726,091</b>	<b>4,390,768,561</b>	<b>(6.8)</b>
<b>Liabilities</b>						
Due to banks	3,391,123	11,514,897	(70.6)	3,507,152	11,547,714	(69.6)
Securities sold under repurchase agreements	142,819,944	180,218,543	(20.8)	142,240,785	179,938,744	(21.0)
Derivative financial instruments	704,398	921,033	(23.5)	704,398	921,033	(23.5)
Financial liabilities at amortized cost						
- due to depositors	3,409,054,923	3,334,774,261	2.2	3,431,407,128	3,358,198,424	2.2
- due to other borrowers	79,091,833	390,489,543	(79.7)	85,851,875	397,083,583	(78.4)
Debt securities issued	-	-	-	708,534	58,807	1,104.8
Current tax liabilities	4,928,260	6,523,443	(24.5)	5,239,145	6,853,709	(23.6)
Deferred tax liabilities	-	-	-	2,497,720	2,694,221	(7.3)
Insurance provision - Life	-	-	-	360,084	355,190	1.4
Insurance provision - Non life	-	-	-	767,737	662,773	15.8
Other liabilities	77,874,034	94,075,650	(17.2)	79,383,293	96,425,230	(17.7)
Subordinated liabilities	68,526,151	63,758,191	7.5	68,276,151	63,498,599	7.5
<b>Total liabilities</b>	<b>3,786,390,666</b>	<b>4,082,275,561</b>	<b>(7.2)</b>	<b>3,820,944,002</b>	<b>4,118,238,027</b>	<b>(7.2)</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	1,411,016	861,324	63.8	3,717,680	2,584,356	43.9
Cashflow hedge reserve	16,366,296	25,620,635	(36.1)	16,366,296	25,620,635	(36.1)
Retained earnings	166,955,353	158,616,238	5.3	168,332,197	159,819,481	5.3
Other reserves	25,607,692	28,224,946	(9.3)	39,470,470	42,588,095	(7.3)
<b>Total equity attributable to equity holder of the Bank</b>	<b>251,201,357</b>	<b>254,184,143</b>	<b>(1.2)</b>	<b>268,747,643</b>	<b>271,473,567</b>	<b>(1.0)</b>
Non controlling interest	-	-	-	1,034,446	1,056,967	(2.1)
<b>Total equity</b>	<b>251,201,357</b>	<b>254,184,143</b>	<b>(1.2)</b>	<b>269,782,089</b>	<b>272,530,534</b>	<b>(1.0)</b>
<b>Total liabilities and equity</b>	<b>4,037,592,023</b>	<b>4,336,459,704</b>	<b>(6.9)</b>	<b>4,090,726,091</b>	<b>4,390,768,561</b>	<b>(6.8)</b>
Contingent liabilities and commitments	1,078,150,550	1,344,899,769	(19.8)	1,117,763,738	1,346,920,056	(17.0)

## STATEMENT OF CHANGES IN EQUITY- BANK

4

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>	25,000,000	-	14,491,000	588,427	3,239,266	3,345,420	17,356,542	136,739,177	200,759,832
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	-	15,914,519	15,914,519
Other comprehensive income, net of tax	-	-	-	74,507	13,979,271	7,938,546	-	-	21,992,324
Dividends for the period	-	-	-	-	-	-	-	(173,205)	(173,205)
Surcharge Tax	-	-	-	-	-	-	-	(6,738,542)	(6,738,542)
<b>Balance as at 30 June 2022</b>	25,000,000	-	14,491,000	662,934	17,218,537	11,283,966	17,356,542	145,741,949	231,754,928
<b>Balance as at 01 January 2023</b>	25,000,000	730,000	15,131,000	861,324	25,620,635	10,909,464	17,315,482	158,616,238	254,184,143
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	-	8,512,320	8,512,320
Other comprehensive income, net of tax	-	-	-	549,692	(9,254,339)	(2,617,254)	-	-	(11,321,901)
Dividends for the period	-	-	-	-	-	-	-	(173,205)	(173,205)
<b>Balance as at 30 June 2023</b>	25,000,000	730,000	15,131,000	1,411,016	16,366,296	8,292,210	17,315,482	166,955,353	251,201,357

## 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>	25,000,000	-	14,491,000	1,483,412	3,239,266	5,186,788	26,302,644	138,104,222	1,589,446	215,396,778
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	-	15,260,187	(124,360)	15,135,827
Other comprehensive income, net of tax	-	-	-	(47,048)	13,979,271	10,114,006	-	(49,734)	(6,756)	23,989,739
Dividends for the period	-	-	-	-	-	-	-	(173,205)	-	(173,205)
Surcharge Tax	-	-	-	-	-	-	-	(7,002,270)	-	(7,002,270)
<b>Balance as at 30 June 2022</b>	25,000,000	-	14,491,000	1,436,364	17,218,537	15,300,794	26,302,644	146,139,200	1,458,330	247,346,869
<b>Balance as at 01 January 2023</b>	25,000,000	730,000	15,131,000	2,584,356	25,620,635	15,029,992	27,558,103	159,819,481	1,056,967	272,530,534
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	-	8,775,480	(25,934)	8,749,546
Other comprehensive income, net of tax	-	-	-	1,133,324	(9,254,339)	(3,211,163)	-	3,979	8,850	(11,319,349)
Dividends for the period	-	-	-	-	-	-	-	(173,205)	-	(173,205)
Subsidiary dividends to non controlling interest	-	-	-	-	-	-	-	-	(5,437)	(5,437)
Transfers to Other reserves	-	-	-	-	-	93,538	-	(93,538)	-	-
<b>Balance as at 30 June 2023</b>	25,000,000	730,000	15,131,000	3,717,680	16,366,296	11,912,367	27,558,103	168,332,197	1,034,446	269,782,089

Rs.'000

For the six-month period ended 30 June	Bank		Group	
	2023	2022	2023	2022
<b>Cash flows from operating activities</b>				
Profit before income tax	10,465,036	21,850,183	10,864,106	21,162,107
<b>Adjustments for :</b>				
Net interest income	(28,567,043)	(80,809,800)	(30,776,917)	(82,651,234)
Dividend income	(118,666)	(279,268)	(146,323)	(303,646)
Dividends from Subsidiaries and Associates	(342,714)	-	-	-
Share of profits of Associate companies, net of tax	-	-	(28,288)	(70,283)
Change in operating assets	225,645,122	(498,550,771)	226,310,557	(509,160,253)
Change in operating liabilities	(249,459,183)	527,835,666	(254,089,901)	536,493,921
Other non cash items included in profit before tax	(23,720,327)	21,133,542	(23,471,782)	21,829,201
Other net losses/ (gains) from investing activities	(1,466,107)	2,212,224	(1,583,713)	2,390,240
	<b>(67,563,882)</b>	<b>(6,608,224)</b>	<b>(72,922,261)</b>	<b>(10,309,947)</b>
Contribution paid from defined benefit plans	(3,385,043)	(4,973,370)	(3,589,930)	(4,999,105)
Interest received	144,690,151	134,669,996	148,100,848	137,634,927
Interest paid	(207,893,560)	(58,112,561)	(209,721,294)	(59,724,687)
Dividends received	27,870	58,705	27,881	58,705
<b>Net cash from/ (used in) operating activities before income tax</b>	<b>(134,124,464)</b>	<b>65,034,546</b>	<b>(138,104,756)</b>	<b>62,659,893</b>
Income tax paid	(4,693,828)	(4,102,878)	(4,948,096)	(4,343,961)
<b>Net cash from / (used in) operating activities</b>	<b>(138,818,292)</b>	<b>60,931,668</b>	<b>(143,052,852)</b>	<b>58,315,932</b>
<b>Cash flows from investing activities</b>				
Net (increase)/ decrease in financial investments at amortized cost	117,162,612	(129,503,959)	117,754,374	(133,699,078)
Net increase in financial investments recognized at fair value through OCI	756,803	8,441,672	967,189	12,955,970
Purchase of property plant and equipment	(633,911)	(624,181)	(665,024)	(643,094)
Purchase of intangible assets	(338,953)	(39,793)	(338,953)	(39,793)
Proceeds from sale of property plant and equipment	3,200	-	5,589	-
Dividends received	433,510	220,563	118,442	244,941
Interest received	77,141,329	45,359,142	77,860,449	45,431,753
<b>Net cash from / (used in) investing activities</b>	<b>194,524,590</b>	<b>(76,146,556)</b>	<b>195,702,066</b>	<b>(75,749,301)</b>
<b>Cash flows from financing activities</b>				
Net increase/ (decrease) in other borrowings	(33,768,281)	86,692,805	(30,669,319)	91,969,866
Dividends paid to Equity holder of the Bank	(173,205)	(173,205)	(173,205)	(173,205)
Dividends paid to non controlling interest	-	-	(5,437)	-
Interest payments on borrowings and debt securities	(26,766,805)	(26,847,575)	(26,247,291)	(28,442,590)
<b>Net cash from/ (used in) in financing activities</b>	<b>(60,708,291)</b>	<b>59,672,025</b>	<b>(57,095,252)</b>	<b>63,354,071</b>
Net increase/ (decrease) in cash and cash equivalents during the period	(5,001,993)	44,457,137	(4,446,038)	45,920,702
Cash and cash equivalents at the beginning of the period	118,512,831	66,789,233	125,309,310	65,745,466
<b>Cash and cash equivalents at the end of the period</b>	<b>113,510,838</b>	<b>111,246,370</b>	<b>120,863,272</b>	<b>111,666,168</b>
<b>Analysis of cash and cash equivalents</b>				
Cash and cash equivalents	116,025,588	121,547,877	123,494,051	122,141,662
Bank overdrafts	(2,514,750)	(10,301,507)	(2,630,779)	(10,475,494)
<b>Cash and cash equivalents at the end of the period</b>	<b>113,510,838</b>	<b>111,246,370</b>	<b>120,863,272</b>	<b>111,666,168</b>

**SELECTED PERFORMANCE INDICATORS**

**6**

As at	Bank		Group	
	30-Jun-2023	31-Dec-2022	30-Jun-2023	31-Dec-2022
Net assets value per share (Rs)	10,048.05	10,167.37	10,749.91	10,858.94
<b>Profitability</b>				
Interest margin *	1.36%	3.10%	1.45%	3.15%
Return on assets (before tax) *	0.50%	0.76%	0.51%	0.75%
Return on equity (after tax) *	6.74%	14.06%	6.45%	13.05%
<b>Assets Quality</b>				
Impaired Loans (Stage 3) Ratio	6.09%	5.27%		
Impairment (Stage 3) to Stage 3 Loans Ratio	57.79%	59.73%		
<b>Investor Information</b>				
Debt equity (%)	43.10	43.89		
Interest cover (times)	1.26	1.32		
<b>Memorandum Information</b>				
Number of employees	8,021	8,209		
Number of branches	583	581		

\* These ratios have been calculated by annualizing the H1-2023 figures.

**KEY REGULATORY RATIOS - CAPITAL AND LIQUIDITY**

As at	Bank		Group	
	30-Jun-2023	31-Dec-2022	30-Jun-2023	31-Dec-2022
<b>Regulatory Capital (Rs. ' 000)</b>				
Common equity Tier I	194,308,178	194,949,918	199,986,797	200,533,817
Total Tier I capital	212,658,178	213,299,918	218,336,797	218,883,817
Total capital	259,254,902	264,494,074	266,020,033	270,747,789
<b>Regulatory Capital Ratios (%)</b>				
Common equity Tier I capital ratio (Minimum requirement, Basel III - 8.50% )	11.72%	11.34%	11.84%	11.35%
Total Tier I capital ratio (Minimum requirement, Basel III - 10.00%)	12.83%	12.41%	12.92%	12.39%
Total capital ratio (Minimum requirement, Basel III - 14.00%)	15.64%	15.38%	15.75%	15.32%
Leverage ratio (Minimum requirement - 3% )	4.90%	4.59%	4.97%	4.65%
<b>Regulatory Liquidity</b>				
Statutory liquid assets				
- Total bank (Rs. ' 000)	1,205,281,994	802,548,166		
- Domestic banking unit (Rs. ' 000)	1,095,348,581	698,946,861		
- Off-shore banking unit (US\$ '000)	428,402	368,308		
Statutory liquid assets ratio (minimum requirement - 20%)				
- Total Bank	34.00%	23.00%		
- Domestic banking unit	32.66%	21.22%		
- Off-shore banking unit	42.43%	32.79%		
Total Stock of High Quality Liquid Assets (Rs. ' 000)	915,417,829	522,718,280		
Liquidity coverage ratio - Rupee (Minimum requirement 2023-100%, 2022-90%)	268.00%	169.00%		
Liquidity coverage ratio - All currency (Minimum requirement 2023-100%, 2022-90%)	179.59%	122.77%		
Net stable funding ratio (Minimum requirement 2023-100%, 2022-90%)	142.00%	137.00%		

**SHARE INFORMATION**

Shareholder	30-Jun-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 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 Financial Statements 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. The Bank has adopted the Alternative Treatment (SoAT) on Reclassification of Debt Portfolio, issued by the Institute of Chartered Accountants of Sri Lanka and reclassified its Debt Portfolio of Rs. 12.8 Bn from Fair Value Through Other Comprehensive Income (FVTOCI) to Amortized Cost (AC) with effect from 01<sup>st</sup> April 2022. If the current portfolio is continued to be measured at FVTOCI, the fair value and the cumulative fair value loss as at 30 June 2023 would have been Rs. 8.1 Bn and Rs. 3.9 Bn respectively.
- VIII. No circumstances have arisen and no material events have occurred since the reporting date, which require disclosures or adjustments to the financial statements.
- IX. 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 30 June 2023 and its profit for the six-month period ended 30 June 2023.

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

We, the undersigned, being the Directors and the 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.  
Ronald C Perera  
**Chairman**  
**(Independent Non-Executive)**

Sgd.  
N C A Abeysekera  
**Director**  
**(Independent Non-Executive)**

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

*14 August 2023*  
*Colombo*

Rs. '000

As at 30 June	2023				
	Fair value through profit or loss	Amortised cost	Fair value through OCI	Others	Total
<b>Financial assets</b>					
Cash and cash equivalents	-	116,025,588	-	-	116,025,588
Balances with Central Banks	-	89,469,780	-	-	89,469,780
Placements with banks	-	39,364,772	-	-	39,364,772
Securities purchased under resale agreements	-	903,755	-	-	903,755
Derivative financial instruments	36,577,387	-	-	-	36,577,387
Loans and advances	-	2,082,899,076	-	-	2,082,899,076
Financial investments	37,506,883	1,451,079,611	9,115,614	-	1,497,702,108
<b>Total financial assets</b>	<b>74,084,270</b>	<b>3,779,742,582</b>	<b>9,115,614</b>	<b>-</b>	<b>3,862,942,466</b>
Other assets	-	-	-	174,649,557	174,649,557
<b>Total assets</b>	<b>74,084,270</b>	<b>3,779,742,582</b>	<b>9,115,614</b>	<b>174,649,557</b>	<b>4,037,592,023</b>

	Fair value through profit or loss	Amortised Cost	Others	Total
<b>Financial liabilities</b>				
Due to banks	-	3,391,123	-	3,391,123
Securities sold under repurchase agreements	-	142,819,944	-	142,819,944
Derivative financial instruments	704,398	-	-	704,398
Due to depositors	-	3,409,054,923	-	3,409,054,923
Other borrowings	-	79,091,833	-	79,091,833
Debt securities issued	-	-	-	-
Subordinated liabilities	-	68,526,151	-	68,526,151
<b>Total financial liabilities</b>	<b>704,398</b>	<b>3,702,883,974</b>	<b>-</b>	<b>3,703,588,372</b>
Other liabilities	-	-	82,802,294	82,802,294
<b>Total liabilities</b>	<b>704,398</b>	<b>3,702,883,974</b>	<b>82,802,294</b>	<b>3,786,390,666</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>

Rs. '000

As at 30 June	2023				
	Fair value through profit or loss	Amortised cost	Fair value through OCI	Others	Total
<b>Financial assets</b>					
Cash and cash equivalents	-	123,494,051	-	-	123,494,051
Balances with Central Banks	-	89,469,780	-	-	89,469,780
Placements with banks	-	40,585,813	-	-	40,585,813
Securities purchased under resale agreements	-	996,980	-	-	996,980
Derivative financial instruments	36,577,387	-	-	-	36,577,387
Loans and advances	-	2,110,005,741	-	-	2,110,005,741
Financial investments	40,102,552	1,457,035,526	11,557,714	-	1,508,695,792
<b>Total financial assets</b>	<b>76,679,939</b>	<b>3,821,587,891</b>	<b>11,557,714</b>	<b>-</b>	<b>3,909,825,544</b>
Other assets	-	-	-	180,900,547	180,900,547
<b>Total assets</b>	<b>76,679,939</b>	<b>3,821,587,891</b>	<b>11,557,714</b>	<b>180,900,547</b>	<b>4,090,726,091</b>

	Fair value through profit or loss	Amortised cost	Others	Total
<b>Financial liabilities</b>				
Due to banks	-	3,507,152	-	3,507,152
Securities sold under repurchase agreements	-	142,240,785	-	142,240,785
Derivative financial instruments	704,398	-	-	704,398
Due to depositors	-	3,431,407,128	-	3,431,407,128
Other borrowings	-	85,851,875	-	85,851,875
Debt securities issued	-	708,534	-	708,534
Subordinated liabilities	-	68,276,151	-	68,276,151
<b>Total financial liabilities</b>	<b>704,398</b>	<b>3,731,991,625</b>	<b>-</b>	<b>3,732,696,023</b>
Other liabilities	-	-	88,247,979	88,247,979
<b>Total liabilities</b>	<b>704,398</b>	<b>3,731,991,625</b>	<b>88,247,979</b>	<b>3,820,944,002</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	
					30.06.2023	31.12.2022		Bank	
					%	%		30.06.2023	31.12.2022
							Rs '000	Rs '000	
<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	24.93	1,746,632	1,637,668
Listed, unsecured, subordinated, redeemable debentures	a	Annually	06.10.2015	05.10.2023	9.50	9.50	24.93	1,261,484	1,205,521
Listed, unsecured, subordinated, redeemable debentures	a	Annually	29.12.2016	28.12.2024	12.75	12.75	24.98	832	784
Unlisted, unsecured, subordinated, redeemable debentures		Annually	29.12.2017	28.12.2025	12.75	12.75	24.78	5,311,679	5,004,820
Unlisted, unsecured, subordinated, redeemable debentures		Annually	31.07.2018	30.07.2026	12.00	12.00	24.53	7,433,476	7,027,089
Unlisted, unsecured, subordinated, redeemable debentures		Annually	03.12.2018	02.12.2023	12.00	12.00	24.09	5,656,934	5,347,618
Unlisted, unsecured, subordinated, redeemable debentures		Annually	27.06.2019	26.06.2024	11.75	11.75	24.95	3,003,613	3,176,634
Unlisted, unsecured, subordinated, redeemable debentures		Annually	17.07.2019	16.07.2024	11.80	11.80	25.40	1,166,880	1,104,092
Unlisted, unsecured, subordinated, redeemable debentures		Annually	18.07.2019	17.07.2024	11.80	11.80	25.40	2,446,825	2,315,164
Unlisted, unsecured, subordinated, redeemable debentures		Annually	23.07.2019	22.07.2024	11.80	11.80	25.40	2,775,642	2,626,346
Unlisted, unsecured, subordinated, redeemable debentures		Annually	24.07.2019	23.07.2024	11.50	11.50	25.40	442,946	419,670
Unlisted, unsecured, subordinated, redeemable debentures		Annually	26.07.2019	25.07.2027	11.75	11.75	23.95	67,807	64,174
Unlisted, unsecured, subordinated, redeemable debentures		Annually	30.12.2022	29.12.2027	29.00	29.00	23.62	7,368,673	6,494,529
								<b>38,683,423</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	23.93	2,165,024	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	24.09	20	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	24.53	5,551,862	5,589,394
								<b>7,716,906</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	-	6,247,588	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	-	11,692,350	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	-	4,185,884	3,741,208
								<b>22,125,822</b>	<b>19,549,886</b>
								<b>68,526,151</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 30-Jun-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>30-Jun-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	
	30.06.2023 Rs '000	31.12.2022 Rs '000	30.06.2023 Rs '000	31.12.2022 Rs '000
Gross loans and receivables	2,326,251,190	2,584,778,967	2,356,180,534	2,617,905,189
Stage 1	1,771,037,834	1,986,928,070	1,787,506,317	2,002,738,770
Stage 2	230,942,102	273,220,831	233,899,369	277,121,666
Stage 3	324,271,254	324,630,066	334,774,848	338,044,753
Less : Accumulated impairment	243,352,114	259,184,638	246,174,793	261,926,856
Stage 1	33,388,600	39,710,949	34,567,580	39,904,019
Stage 2	22,566,279	25,419,553	22,927,389	25,564,731
Stage 3	187,397,235	194,054,136	188,679,824	196,458,106
<b>Net loans and advances</b>	<b>2,082,899,076</b>	<b>2,325,594,329</b>	<b>2,110,005,741</b>	<b>2,355,978,333</b>

2) Loans and advances to customers - By product

As at	Bank		Group	
	30.06.2023	31.12.2022	30.06.2023	31.12.2022
<b>Local currency</b>				
Overdrafts	136,805,058	146,415,234	136,573,841	146,223,589
Term loans	627,206,686	746,658,700	633,836,193	755,678,340
Lease rentals receivable	17,208,477	20,673,590	25,945,837	29,509,308
Credit cards	8,382,251	7,483,788	8,382,251	7,483,788
Pawning	136,088,580	116,879,501	140,724,124	122,545,263
Housing loans	74,677,112	78,125,880	74,704,205	78,155,920
Trade finance	44,402,373	39,846,557	44,627,173	40,077,612
Personal loans	384,724,255	413,928,850	385,905,630	415,315,733
Staff loans	26,940,987	26,186,008	27,187,341	26,420,658
Foreclosed properties	3,252,357	3,325,096	3,252,357	3,325,096
Other loans	53,072,152	47,861,160	53,072,152	47,861,160
<b>Total local currency loans and advances</b>	<b>1,512,760,288</b>	<b>1,647,384,364</b>	<b>1,534,211,104</b>	<b>1,672,596,467</b>
<b>Foreign currency</b>				
Overdrafts	55,226,942	67,382,222	55,474,191	67,622,802
Term loans	694,516,913	788,273,917	702,729,925	795,933,677
Trade finance	56,423,829	73,328,306	56,423,829	73,328,306
Housing loans	63,835	46,205	63,835	46,205
Staff loans	84,460	32,490	102,727	46,269
Foreclosed properties	7,949	8,624	7,949	8,624
Other loans	7,166,974	8,322,839	7,166,974	8,322,839
<b>Total foreign currency loans and advances</b>	<b>813,490,902</b>	<b>937,394,603</b>	<b>821,969,430</b>	<b>945,308,722</b>
<b>Total loans and advances to customers</b>	<b>2,326,251,190</b>	<b>2,584,778,967</b>	<b>2,356,180,534</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
<b>Opening balance (01 January)</b>	39,710,949	25,419,553	194,054,136	259,184,638
Charge / ( reversal ) during the period	(4,804,120)	(815,956)	16,639,434	11,019,358
Amount recovered during the period	-	-	(16,079,071)	(16,079,071)
Exchange rate variance on foreign currency impairment	(1,518,229)	(2,037,318)	(7,217,264)	(10,772,811)
Amount written-off during the period	-	-	(10,978)	(10,978)
Other movements	-	-	10,978	10,978
<b>Closing balance as at 30 June 2023</b>	<b>33,388,600</b>	<b>22,566,279</b>	<b>187,397,235</b>	<b>243,352,114</b>
	Group			
	Stage 1	Stage 2	Stage 3	Total
<b>Opening balance (01 January)</b>	39,904,019	25,564,731	196,458,106	261,926,856
Charge / ( reversal ) during the period	(3,818,210)	(600,024)	15,534,371	11,116,137
Amount recovered during the period	-	-	(16,079,071)	(16,079,071)
Exchange rate variance on foreign currency impairment	(1,518,229)	(2,037,318)	(7,217,264)	(10,772,811)
Amount written-off during the period	-	-	(10,978)	(10,978)
Other movements	-	-	(5,340)	(5,340)
<b>Closing balance as at 30 June 2023</b>	<b>34,567,580</b>	<b>22,927,389</b>	<b>188,679,824</b>	<b>246,174,793</b>

Rs.'000

4) Contingent liabilities and commitments

As at	Bank		Group	
	30-June-2023	31-Dec-2022	30-June-2023	31-Dec-2022
<b>By product - Domestic currency</b>				
Acceptances and documentary credits	97,883,849	145,698,142	98,013,027	145,698,142
Bills for collection	47,224,760	51,385,079	47,224,760	51,385,079
Forward exchange contracts	129,426,546	124,122,135	129,426,546	124,122,135
Guarantees	163,423,534	157,927,423	163,476,709	158,085,923
Undrawn and undisbursed facilities	455,314,221	648,009,606	455,314,221	648,009,622
Other commitments	20,056,155	20,106,379	20,056,155	21,460,286
<b>Total domestic currency contingent liabilities and commitments</b>	<b>913,329,064</b>	<b>1,147,248,764</b>	<b>913,511,417</b>	<b>1,148,761,187</b>
<b>By product - Foreign currency</b>				
Acceptances and documentary credits	14,566,428	12,249,993	14,864,332	12,757,857
Bills for collection	8,610,187	13,430,539	8,610,187	13,430,539
Forward exchange contracts	58,852,797	75,331,192	97,068,431	75,331,192
Guarantees	10,922,065	10,047,160	10,922,065	10,047,160
Undrawn and undisbursed facilities	27,943,267	29,779,390	27,943,267	29,779,390
Other commitments	43,926,741	56,812,731	44,844,038	56,812,731
<b>Total foreign currency contingent liabilities and commitments</b>	<b>164,821,486</b>	<b>197,651,005</b>	<b>204,252,321</b>	<b>198,158,869</b>
<b>Total Contingent liabilities and commitments</b>	<b>1,078,150,550</b>	<b>1,344,899,769</b>	<b>1,117,763,738</b>	<b>1,346,920,056</b>

5) Financial liabilities at amortised cost

Due to depositors - By product

As at	Bank		Group	
	30-June-2023	31-Dec-2022	30-June-2023	31-Dec-2022
<b>Local currency</b>				
Demand deposits	166,365,789	174,674,605	166,085,021	174,245,474
Savings deposits	617,309,792	558,213,697	618,131,989	558,984,668
Time deposits	1,726,311,875	1,558,730,483	1,743,091,963	1,576,815,334
Other deposits	4,289,623	4,785,426	4,297,952	4,785,426
<b>Total local currency deposits</b>	<b>2,514,277,079</b>	<b>2,296,404,211</b>	<b>2,531,606,925</b>	<b>2,314,830,902</b>
<b>Foreign currency</b>				
Demand deposits	50,860,774	56,168,342	51,887,911	57,356,149
Savings deposits	151,647,038	189,799,490	152,614,754	190,755,490
Time deposits	686,752,550	786,788,397	689,780,056	789,642,062
Other deposits	5,517,482	5,613,821	5,517,482	5,613,821
<b>Total foreign currency deposits</b>	<b>894,777,844</b>	<b>1,038,370,050</b>	<b>899,800,203</b>	<b>1,043,367,522</b>
<b>Total due to depositors</b>	<b>3,409,054,923</b>	<b>3,334,774,261</b>	<b>3,431,407,128</b>	<b>3,358,198,424</b>

SEGMENTAL ANALYSIS - GROUP

Rs. '000												
For the six months ended 30th June	Retail banking		Corporate and Offshore 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	14,861,317	20,855,051	11,293,152	27,732,448	4,935,828	24,448,966	2,209,875	1,841,433	(2,523,255)	7,773,336	30,776,917	82,651,234
Net fee and commission income	6,824,965	5,522,898	1,735,755	1,792,224	(233,809)	149,454	159,502	131,709	358,976	381,018	8,845,390	7,977,303
Other income	(785,588)	1,779,335	(2,546,285)	23,091,944	(8,697,264)	(1,202,577)	227,495	177,011	885,161	14,198	(10,916,481)	23,859,911
<b>Total operating income</b>	<b>20,900,694</b>	<b>28,157,284</b>	<b>10,482,623</b>	<b>52,616,616</b>	<b>(3,995,245)</b>	<b>23,395,843</b>	<b>2,596,872</b>	<b>2,150,153</b>	<b>(1,279,118)</b>	<b>8,168,552</b>	<b>28,705,826</b>	<b>114,488,448</b>
<b>Expenses :</b>												
Impairment (charge)/ reversal for loans and other losses	584,121	(7,637,758)	4,259,378	(39,153,697)	8,150,522	(16,724,267)	(25,474)	(830,763)	98,456	(254,564)	13,067,003	(64,601,049)
Total operating expenses	(18,092,465)	(16,443,685)	(2,143,530)	(3,231,345)	(3,746,959)	(1,575,801)	(2,143,845)	(2,019,761)	(220,715)	(275,663)	(26,347,515)	(23,546,255)
<b>Total expenses</b>	<b>(17,508,344)</b>	<b>(24,081,443)</b>	<b>2,115,848</b>	<b>(42,385,042)</b>	<b>4,403,562</b>	<b>(18,300,068)</b>	<b>(2,169,319)</b>	<b>(2,850,524)</b>	<b>(122,260)</b>	<b>(530,227)</b>	<b>(13,280,512)</b>	<b>(88,147,304)</b>
<b>Operating profit before taxes on financial services</b>	<b>3,392,351</b>	<b>4,075,841</b>	<b>12,598,471</b>	<b>10,231,574</b>	<b>408,317</b>	<b>5,095,775</b>	<b>427,553</b>	<b>(700,371)</b>	<b>(1,401,378)</b>	<b>7,638,325</b>	<b>15,425,314</b>	<b>26,341,144</b>
Taxes on financial services											(4,589,496)	(5,249,320)
<b>Operating profit after taxes on financial services</b>											<b>10,835,818</b>	<b>21,091,824</b>
Share of profits/ (losses) of associate companies, net of tax							28,288	70,283			28,288	70,283
<b>Profit/(loss) before income tax</b>	<b>3,392,351</b>	<b>4,075,481</b>	<b>12,598,471</b>	<b>10,231,574</b>	<b>408,317</b>	<b>5,095,775</b>	<b>427,552</b>	<b>(633,315)</b>	<b>(1,401,377)</b>	<b>7,638,328</b>	<b>10,864,106</b>	<b>21,162,107</b>
Income tax expense											(2,114,560)	(6,026,280)
<b>Profit for the period</b>											<b>8,749,546</b>	<b>15,135,827</b>
<b>Total assets</b>	<b>885,176,522</b>	<b>1,048,780,268</b>	<b>1,077,803,099</b>	<b>1,544,161,598</b>	<b>1,882,323,535</b>	<b>1,710,219,046</b>	<b>53,134,068</b>	<b>54,339,183</b>	<b>192,288,867</b>	<b>163,518,265</b>	<b>4,090,726,091</b>	<b>4,521,081,359</b>
<b>Total liabilities</b>	<b>830,104,701</b>	<b>974,032,577</b>	<b>1,010,746,894</b>	<b>1,439,874,244</b>	<b>1,765,213,579</b>	<b>1,651,620,457</b>	<b>34,553,337</b>	<b>38,747,242</b>	<b>180,325,492</b>	<b>169,396,970</b>	<b>3,820,944,002</b>	<b>4,273,671,490</b>
Cash flows from / (used in) operating activities	(111,126,582)	11,840,529	(55,734,893)	29,716,773	21,242,261	15,933,668	(4,234,560)	(2,615,736)	6,800,921	3,440,698	(143,052,852)	58,315,932
Cash flows from / (used in) investing activities	42,646,359	(17,879,280)	51,926,793	(26,324,386)	90,687,274	(29,155,282)	1,177,476	397,255	9,264,164	(2,787,608)	195,702,066	(75,749,301)
Cash flows from / (used in) financing activities	(35,087,444)	30,408,258	(17,086,462)	17,850,145	(4,353,316)	9,788,920	3,613,039	3,682,046	(4,181,069)	1,624,702	(57,095,252)	63,354,071
Capital expenditure to non-current assets											1,003,976	682,887
Depreciation and amortization expenses	388,856	452,358	473,477	666,025	826,901	737,649	150,878	150,878	84,473	70,529	1,924,585	2,077,438

During the period from 01.01.2015 to 30.06.2023

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.							