



INTERIM FINANCIAL STATEMENTS
for the year ended 31 December 2024
(Audited)

Bank of Ceylon

Fitch Ratings: AA-(lka)

Financial Commentary for the year ended 31 December 2024

- Profit Before Tax of Rs. 106.9 billion and Profit After Tax of Rs. 64.4 billion
- Value to the Government of Rs. 70.9 billion as taxes.
- Group total assets base reached the milestone of Rs. 5.0 trillion
- Total deposit base of Rs. 4.2 trillion
- Gross loans and advances of Rs. 2.4 trillion

Bank of Ceylon (BOC), being the No. 01 Bank in Sri Lanka and the country's highest rated banking brand, achieved robust financial results in 2024, demonstrating both resilience and persistence. The Bank recorded significant growth in key financial metrics, including total assets, deposits, and profitability. This exceptional performance underscores BOC's agility and adaptability in the face of volatile market conditions and numerous challenges.

Exceptional Financial Performance

Signifying its agility in adapting to market dynamics, the Bank successfully repriced its assets and liabilities, leading to a momentous 84% increase in net interest income to Rs. 167.6 billion compared to Rs. 91.2 billion in 2023.

Interest income of the Bank experienced a YoY decline of 12%, primarily due to relaxed monetary policy stance which led to diminished yields on loans and government securities compared to 2023. However, the reduction in interest expenses (32%) outpaced the drop in income, resulting a growth in net interest income. This growth underscores the Bank's improved profitability, despite the challenging economic environment.

Net fee and commission income remained a strong contributor to the improved profitability, reaching Rs. 20.6 billion with 17% YoY increase. This growth was primarily driven by increased card-related transactions, retail banking services, and the intensifying adoption of digital banking channels by customers reflecting BOC's seamless digital banking experience.

A net gain of Rs. 3.4 billion from trading has been recorded for the year, showcasing the Bank's robust trading capabilities in capitalizing on market opportunities and generating capital gains whilst LKR appreciation resulted in exchange losses.

Proactive Risk Management and Credit Growth

The Bank proactively addressed heightened credit risks in specific industries by implementing targeted management overlays, reflecting a cautious approach to credit risk management amidst global and domestic economic uncertainties. This strategy enabled close monitoring, timely mitigation, and the allocation of sufficient provisions for potential credit losses.

An impairment charge amounted to Rs. 12.4 billion has been recognized for loans and advances reflecting challenges faced by sectors still recovering from economic downturns and global disruptions while a net reversal of Rs. 32.8 billion for other financial assets was recorded subsequent to the finalization of debt restructuring.

The debt restructuring resulted in a Day 1 loss of Rs. 19.6 billion, recorded under interest income, and a haircut loss of Rs. 4.9 billion, recorded as a de-recognition of financial assets. Consequently, the net impact on profit for the year on ISB restructuring was Rs. 14.1 billion.

Meantime, the impaired loans (Stage 3) ratio increased to 7.2%, indicating potential external economic pressures. Nonetheless, the impairment coverage ratio (Stage 3 impairment provision to Stage 3 Loans) remains strong at 53.6%, demonstrating the Bank's prudent risk management.

The Bank actively supported business revival efforts by closely collaborating with customers to aid their recovery. These initiatives, coupled with strategic credit decisions, helped to mitigate credit losses and position the Bank as a key contributor to Sri Lankan economic recovery.

Operating Efficiency and Strong Profitability

The Bank reported total operating income of Rs. 182.0 billion, reflecting a significant growth of 81% compared to the previous year. This increase was driven by substantial improvements in net interest income, net fee and commission income and trading income.

Operating expenses amounted to Rs. 67.1 billion, marking a 28% YoY increase, which was mainly due to increased personnel costs (35%) and other overhead expenses (21%). Despite these higher expenses, the Bank effectively managed its operating costs, enhancing operational efficiencies during the year as depicted by the improved cost-to-income ratio of 40%, compared to the previous year.

The Bank's operating profit before taxes on financial services reached Rs. 135.3 billion, a remarkable 155% enhancement over the preceding year. After accounting for Value Added Tax (VAT) and the Social Security Contribution Levy (SSCL), the PBT stood at Rs. 106.9 billion compared to Rs. 40.3

billion in 2023, reflecting a 165% notable growth. This robust performance in the face of significant challenges, highlights the Bank's resilience and steadfast commitment to fostering sustainable profitability.

Income tax expenses for the year amounted to Rs. 42.5 billion, resulting a profit after tax of Rs. 64.4 billion. Total taxes for the year amounted to Rs. 70.9 billion consequently resulting an effective tax rate of 52% that reflects the Bank's substantial contribution to the national economy as a state-owned institution.

Robust Financial Position and Capital Strength

As of 31 December 2024, BOC's total assets reached to Rs. 4,985.1 billion and Group's total assets reached to Rs. 5,048.7 billion, reflecting a notable growth of 13% compared to the end 2023. This growth, despite economic challenges, solidifies the Bank's leading position in Sri Lanka's competitive banking sector. The increase in total assets was primarily driven by significant rises in investment in debt and other instruments and investment in securities purchased under resale agreements. This underscores the Bank's strategic focus on liquidity management and its ability to capitalize on favorable market conditions.

Gross loans and advances amounted to Rs. 2,436.2 billion as of 31 December 2024 despite a slight drop of 1% in the loan book stemming from LKR appreciation of 10% and sluggish credit demand.

The Bank's deposit base stood strong at Rs. 4,208.6 billion as of 31 December 2024 with a remarkable growth of 8% despite the appreciation of the LKR, showcasing sustained customer confidence and the Bank's strategic focus on deposit mobilization.

Additionally, BOC raised Rs. 15.0 billion in Basel III compliant Tier II capital via debenture issue during the year to strengthen the capital base of the Bank.

Key Performance Indicators

The Bank demonstrated strong financial performance across key metrics. The Return on Assets (ROA) before tax improved to 2.28% from 0.92% in 2023 and the Return on Equity (ROE) after tax significantly to 23.23% from 10.55% in 2023, reflecting enhanced profitability from the Bank's asset base. The interest margin also increased to 3.57% from 2.08% in 2023, highlighting effective management of interest-earning assets and liabilities.

The Bank maintained robust capital adequacy, with a Common Equity Tier 1 ratio of 11.97% and a Total Capital Ratio of 16.55%, both above the Basel III requirements. This underscores, the Bank's strong capital position and its ability to absorb potential risks. Additionally, liquidity coverage ratios for both rupee and all currencies remained well above regulatory requirements, at 329.00% and 269.63%, respectively, ensuring the Bank's capacity to meet financial obligations.

Global Recognition and Future Outlook

In 2024, BOC has been awarded the prestigious title of 'Bank of the Year Sri Lanka 2024' by 'The Banker magazine', a renowned publication of Financial Times Group, UK the Bank has also achieved the remarkable distinction of being the only Sri Lankan bank listed in Top 1000 World Banks 2024 by them, signifying a respected benchmark of global banking excellence.

BOC is strategically positioned to navigate the evolving economic landscape with foresight and resilience. As the nation's largest financial institution and a systemically important bank, it is committed to harnessing technological advancements and implementing initiatives that foster sustainable growth and financial stability. The Bank remains focused on enhancing customer experiences, supporting community development, and playing a pivotal role in ensuring the stability and growth of the country's economy.

The Bank is committed in maintaining its high standards of excellence, driving economic progress, and reinforcing its leadership in fostering a robust and stable financial environment.

With an extensive network of over 2,300 direct customer touchpoints, including fully-equipped and mobile branches, SME centers, ATMs, CDMs and CRMs island-wide, the Bank promotes financial inclusion across all provinces of the country. The Bank also operates internationally, with three branches in India, Maldives, and Seychelles, a limited services branch in Hulhumale and a fully-owned subsidiary in London, United Kingdom.

Fitch Ratings has recently upgraded the National Long-Term Rating at 'AA-(lka)' and the Long Term Foreign and Local Currency Issuer Default Ratings at 'CCC+'.

STATEMENT OF PROFIT OR LOSS

Rs. 000

31 December	Bank						Group					
	For the year ended			For the quarter ended			For the year ended			For the quarter ended		
	2024	2023	Change %	2024	2023	Change %	2024	2023	Change %	2024	2023	Change %
Total income	485,405,047	542,187,297	(10.5)	107,592,181	143,692,406	(25.1)	494,921,947	551,866,763	(10.3)	110,473,750	146,393,307	(24.5)
Interest income	461,113,949	524,797,842	(12.1)	108,141,240	135,847,799	(20.4)	468,786,127	532,477,761	(12.0)	110,141,840	137,740,840	(20.0)
Interest expenses	(293,561,489)	(433,610,256)	(32.3)	(67,866,205)	(95,879,359)	(29.2)	(297,058,327)	(436,967,649)	(32.0)	(68,688,687)	(96,776,689)	(29.0)
Net interest income	167,552,460	91,187,586	83.7	40,275,035	39,968,440	0.8	171,727,800	95,510,112	79.8	41,453,153	40,964,151	1.2
Fee and commission income	30,415,561	25,875,048	17.5	8,359,779	6,934,695	20.6	30,847,506	26,235,325	17.6	8,467,983	7,038,083	20.3
Fee and commission expenses	(9,802,534)	(8,220,629)	19.2	(2,867,208)	(2,217,475)	29.3	(9,845,866)	(8,237,386)	19.5	(2,889,117)	(2,223,418)	29.9
Net fee and commission income	20,613,027	17,654,419	16.8	5,492,571	4,717,220	16.4	21,001,640	17,997,939	16.7	5,578,866	4,814,665	15.9
Net gains/ (losses) from trading	3,433,734	(5,347,822)	(164.2)	(906,133)	2,674,269	(133.9)	3,473,065	(5,163,417)	(167.3)	(899,627)	2,712,163	(133.2)
Net fair value gains/ (losses) from financial instruments at fair value through profit or loss	1,507,537	858,722	75.6	1,088,215	(536,678)	(302.8)	1,714,133	1,448,963	18.3	1,431,644	(457,690)	(412.8)
Net gains/(losses) on derecognition of financial assets												
- at fair value through profit or loss	160,152	702,105	(77.2)	48,590	95,259	(49.0)	178,227	702,105	(74.6)	66,665	84,032	(20.7)
- at fair value through other comprehensive income	1,240,701	659,758	88.1	158,182	25,542	519.3	2,016,437	767,783	162.6	387,064	63,410	510.4
- at amortised cost	(4,999,545)	-	-	(4,999,545)	-	-	(5,087,161)	-	-	(5,087,161)	-	-
Other operating income	(7,467,042)	(5,358,356)	39.4	(4,298,147)	(1,348,480)	218.7	(7,006,387)	(4,601,757)	52.3	(4,034,658)	(787,531)	412.3
	(6,124,463)	(8,485,593)	(27.8)	(8,908,838)	909,912	(1,079.1)	(4,711,686)	(6,846,323)	(31.2)	(8,136,073)	1,614,384	(604.0)
Total operating income	182,041,024	100,356,412	81.4	36,858,768	45,595,572	(19.2)	188,017,754	106,661,728	76.3	38,895,946	47,393,200	(17.9)
Impairment (charge)/ reversal												
Loans and advances	(12,426,371)	2,663,844	(566.5)	(6,628,426)	(341,681)	1,839.9	(12,325,337)	2,791,523	(541.5)	(6,543,608)	(266,529)	2,355.1
Other financial assets	32,769,530	2,242,433	1,361.3	40,313,248	(8,526,478)	(572.8)	33,045,342	2,257,143	1,364.0	40,488,324	(8,511,768)	(575.7)
Net operating income	202,384,183	105,262,689	92.3	70,543,590	36,727,413	92.1	208,737,759	111,710,394	86.9	72,840,662	38,614,903	88.6
Operating expenses												
Personnel expenses	(40,287,071)	(29,818,199)	35.1	(8,935,650)	(7,348,251)	21.6	(42,946,620)	(32,311,681)	32.9	(9,656,029)	(8,031,747)	20.2
Depreciation and amortisation	(4,194,927)	(3,852,931)	8.9	(1,224,301)	(1,177,211)	4.0	(4,308,053)	(4,229,242)	1.9	(1,255,370)	(1,306,780)	(3.9)
Other expenses	(22,602,628)	(18,585,567)	21.6	(8,032,346)	(6,121,974)	31.2	(24,557,901)	(20,474,129)	19.9	(8,729,226)	(6,846,738)	27.5
Total operating expenses	(67,084,626)	(52,256,697)	28.4	(18,192,297)	(14,647,436)	24.2	(71,812,574)	(57,015,052)	26.0	(19,640,625)	(16,185,265)	21.3
Operating profit before taxes on financial services	135,299,557	53,005,992	155.3	52,351,293	22,079,977	137.1	136,925,185	54,695,342	150.3	53,200,037	22,429,638	137.2
Taxes on Financial Services												
Value Added Tax (VAT) on financial services	(24,932,941)	(11,122,618)	124.2	(9,009,064)	(3,972,371)	126.8	(25,277,395)	(11,378,354)	122.2	(9,150,398)	(4,051,821)	125.8
Social Security Contribution Levy (SSCL)	(3,462,348)	(1,540,951)	124.7	(1,250,273)	(397,653)	214.4	(3,512,748)	(1,577,470)	122.7	(1,270,450)	(408,886)	210.7
Operating profit after taxes on financial services	106,904,268	40,342,423	165.0	42,091,956	17,709,953	137.7	108,135,042	41,739,518	159.1	42,779,189	17,968,931	138.1
Share of profits/ (losses) of Associate companies, net of tax	-	-	-	-	-	-	86,425	33,507	157.9	41,861	(21,641)	(293.4)
Profit before income tax	106,904,268	40,342,423	165.0	42,091,956	17,709,953	137.7	108,221,467	41,773,025	159.1	42,821,050	17,947,290	138.6
Income tax expense	(42,517,329)	(13,648,897)	211.5	(16,795,675)	(9,084,559)	84.9	(43,159,990)	(14,155,438)	204.9	(17,057,068)	(9,197,980)	85.4
Profit for the year	64,386,939	26,693,526	141.2	25,296,281	8,625,394	193.3	65,061,477	27,617,587	135.6	25,763,982	8,749,310	194.5
Profit attributable to:												
Equity holder of the Bank	64,386,939	26,693,526	141.2	25,296,281	8,625,394	193.3	65,007,643	27,571,569	135.8	25,742,869	8,726,079	195.0
Non controlling interest	-	-	-	-	-	-	53,834	46,018	17.0	21,113	23,231	(9.1)
Profit for the year	64,386,939	26,693,526	141.2	25,296,281	8,625,394	193.3	65,061,477	27,617,587	135.6	25,763,982	8,749,310	194.5
Earnings per share:												
Basic earnings per share (Rs.)	2,575.48	1,067.74	141.2	1,011.85	345.02	193.3	2,600.31	1,102.86	135.8	1,029.71	349.04	195.0
Diluted earnings per share (Rs.)	2,502.41	1,037.45	141.2	983.14	335.23	193.3	2,526.53	1,071.57	135.8	1,000.50	339.14	195.0

STATEMENT OF COMPREHENSIVE INCOME

2

Rs. 000

31 December	Bank						Group					
	For the year ended			For the quarter ended			For the year ended			For the quarter ended		
	2024	2023	Change %	2024	2023	Change %	2024	2023	Change %	2024	2023	Change %
Profit for the year	64,386,939	26,693,526	141.2	25,296,281	8,625,394	193.3	65,061,477	27,617,587	135.6	25,763,982	8,749,310	194.5
Other comprehensive income for the year , net of tax												
Items that will be reclassified to profit or loss												
Exchange differences on translation of foreign operations	(1,849,445)	(1,977,563)	(6.5)	(478,299)	(30,046)	1,491.9	(2,499,942)	(2,286,201)	9.3	(977,511)	243,891	(500.8)
Net gains/ (losses) on cashflow hedge instruments	(3,730,094)	(20,369,118)	(81.7)	(872,875)	(1,058,118)	(17.5)	(3,730,094)	(20,369,118)	(81.7)	(872,875)	(1,058,118)	(17.5)
Net gains/ (losses) on investments in debt instruments measured at FVTOCI	736,052	165,673	344.3	811,727	195,478	315.3	745,464	272,685	173.4	822,140	194,636	322.4
Net (gains)/ losses on FVTOCI financial investments reclassification to profit or loss	-	-	-	-	-	-	(6,663)	-	-	-	-	-
Deferred tax effect on net gains/ (losses) on investments in debt instruments measured at FVTOCI	(220,371)	(148,518)	48.4	(244,079)	(56,621)	331.1	(220,371)	(148,518)	48.4	(244,079)	(56,621)	331.1
Share of other comprehensive income of Associate Companies, net of tax	-	-	-	-	-	-	16,795	(2,109)	(896.3)	18,958	(3,225)	(687.8)
	(5,063,858)	(22,329,526)	(77.3)	(783,526)	(949,307)	(17.5)	(5,694,811)	(22,533,261)	(74.7)	(1,253,367)	(679,437)	84.5
Items that will not be reclassified to profit or loss												
Change in fair value on investments in equity instruments measured at FVTOCI	2,782,020	1,786,818	55.7	2,062,808	115,187	1,690.8	1,912,880	2,412,486	(20.7)	2,050,032	472,449	333.9
Deferred tax effect on change in fair value on investments in equity instruments measured at FVTOCI	(120,459)	(107,990)	11.5	(83,905)	(104,108)	(19.4)	(120,459)	(107,990)	11.5	(83,905)	(104,108)	(19.4)
Changes in revaluation surplus/ (deficit)	-	6,880,746	(100.0)	-	6,880,746	(100.0)	(139,720)	8,635,144	(101.6)	(139,720)	8,635,144	(101.6)
Deferred tax effect on revaluation surplus/ (deficit)	-	(1,961,601)	(100.0)	-	(1,961,601)	(100.0)	41,916	(2,487,921)	(101.7)	41,916	(2,487,921)	(101.7)
Re-measurement of post-employment benefit obligations	(13,794,600)	(18,940,273)	(27.2)	(8,429,039)	(18,940,273)	(55.5)	(13,861,596)	(19,021,132)	(27.1)	(8,496,064)	(19,021,422)	(55.3)
Deferred tax effect on post-employment benefit obligations	4,138,380	5,682,082	(27.2)	2,528,712	5,682,082	(55.5)	4,157,605	5,705,542	(27.1)	2,547,946	5,705,629	(55.3)
	(6,994,659)	(6,660,218)	5.0	(3,921,424)	(8,327,967)	(52.9)	(8,009,374)	(4,863,871)	64.7	(4,079,795)	(6,800,229)	(40.0)
Other comprehensive income for the year, net of tax	(12,058,517)	(28,989,744)	(58.4)	(4,704,950)	(9,277,274)	(49.3)	(13,704,185)	(27,397,132)	(50.0)	(5,333,162)	(7,479,666)	(28.7)
Total comprehensive income for the year	52,328,422	(2,296,218)	(2,378.9)	20,591,331	(651,880)	(3,258.8)	51,357,292	220,455	23,196.0	20,430,820	1,269,644	1,509.2
Attributable to:												
Equity holder of the Bank	52,328,422	(2,296,218)	(2,378.9)	20,591,331	(651,880)	(3,258.8)	51,321,630	157,628	32,458.7	20,409,640	1,235,168	1,552.4
Non controlling interest	-	-	-	-	-	-	35,662	62,827	(43.2)	21,180	34,476	(38.6)
Total comprehensive income for the year	52,328,422	(2,296,218)	(2,378.9)	20,591,331	(651,880)	(3,258.8)	51,357,292	220,455	23,196.0	20,430,820	1,269,644	1,509.2

Rs. 000

As at	Bank			Group		
	31-Dec-2024 Audited	31-Dec-2023 Audited	Change %	31-Dec-2024 Audited	31-Dec-2023 Audited	Change %
Assets						
Cash and cash equivalents	115,422,407	135,550,505	(14.8)	116,281,852	137,369,158	(15.4)
Balances with Central Banks	52,346,230	34,932,639	49.8	52,346,230	34,932,639	49.8
Placements with banks	62,413,107	74,966,171	(16.7)	61,576,750	73,024,979	(15.7)
Securities purchased under resale agreements	23,982,341	3,711,918	546.1	21,581,160	3,695,392	484.0
Derivative financial instruments	23,500,600	20,525,840	14.5	23,500,600	20,525,840	14.5
Financial assets recognized through profit or loss measured at fair value	21,003,177	40,642,530	(48.3)	29,762,487	48,830,871	(39.0)
Financial assets at amortized cost						
- loans and advances	2,177,707,779	2,209,061,924	(1.4)	2,221,161,844	2,240,611,228	(0.9)
- debt and other instruments	2,275,934,376	1,653,728,403	37.6	2,282,636,084	1,660,012,978	37.5
Financial assets - measured at fair value through other comprehensive income	52,049,653	49,533,998	5.1	53,862,763	52,199,685	3.2
Investment in Subsidiary companies	8,080,402	8,181,138	(1.2)	-	-	-
Investment in Associate companies	92,988	92,988	-	828,923	737,115	12.5
Investment properties	2,414,640	2,414,640	-	-	95,446	(100.0)
Property, plant and equipment	45,621,257	42,564,498	7.2	62,308,257	59,566,898	4.6
Right of Use Asset/ Leasehold properties	5,554,420	3,508,618	58.3	3,355,142	2,986,704	12.3
Intangible assets	1,608,812	1,554,875	3.5	1,710,211	1,654,722	3.4
Deferred tax assets	15,836,422	18,503,397	(14.4)	15,967,300	18,594,558	(14.1)
Other assets	101,570,365	112,274,233	(9.5)	101,791,704	112,921,804	(9.9)
Total assets	4,985,138,976	4,411,748,315	13.0	5,048,671,307	4,467,760,017	13.0
Liabilities						
Due to banks	1,671,087	3,047,732	(45.2)	1,682,417	3,162,463	(46.8)
Securities sold under repurchase agreements	131,079,414	78,463,070	67.1	130,030,614	77,829,770	67.1
Derivative financial instruments	16,476,077	2,169,202	659.5	16,476,077	2,169,202	659.5
Financial liabilities at amortized cost						
- due to depositors	4,208,603,435	3,882,232,323	8.4	4,245,531,800	3,909,580,686	8.6
- other borrowings	29,143,678	33,666,236	(13.4)	32,344,253	35,592,741	(9.1)
Debt securities issued	-	-	-	718,873	730,839	(1.6)
Current tax liabilities	23,209,855	7,621,675	204.5	23,594,223	7,877,471	199.5
Deferred tax liabilities	-	-	-	2,911,350	2,933,596	(0.8)
Insurance contract liabilities - Life	-	-	-	400,967	359,606	11.5
Insurance contract liabilities - Non life	-	-	-	423,923	671,728	(36.9)
Other liabilities	203,859,925	88,141,547	131.3	203,826,491	89,835,809	126.9
Subordinated liabilities	68,535,700	64,691,810	5.9	68,282,559	64,437,320	6.0
Total liabilities	4,682,579,171	4,160,033,595	12.6	4,726,223,547	4,195,181,231	12.7
Equity						
Share capital	25,730,000	25,730,000	-	25,730,000	25,730,000	-
Permanent reserve fund	16,953,000	15,665,000	8.2	16,953,000	15,665,000	8.2
OCI reserve	5,734,549	2,557,307	124.2	7,328,571	4,999,807	46.6
Cashflow hedge reserve	1,521,423	5,251,517	(71.0)	1,521,423	5,251,517	(71.0)
Retained earnings	183,388,860	171,351,609	7.0	185,536,613	173,063,302	7.2
Other reserves	69,231,973	31,159,287	122.2	84,226,676	46,748,364	80.2
Total equity attributable to equity holder of the Bank	302,559,805	251,714,720	20.2	321,296,283	271,457,990	18.4
Non controlling interest	-	-	-	1,151,477	1,120,796	2.7
Total equity	302,559,805	251,714,720	20.2	322,447,760	272,578,786	18.3
Total liabilities and equity	4,985,138,976	4,411,748,315	13.0	5,048,671,307	4,467,760,017	13.0
Contingent liabilities and commitments	1,788,296,358	1,539,206,229	16.2	1,789,396,253	1,548,892,111	15.5

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		
Balance as at 01 January 2023	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 year									
Profit for the year	-	-	-	-	-	-	-	26,693,526	26,693,526
Other comprehensive income, net of tax	-	-	-	1,695,983	(20,369,118)	(1,977,563)	4,919,145	(13,258,191)	(28,989,744)
Dividends for the year	-	-	-	-	-	-	-	(173,205)	(173,205)
Revaluation surplus of disposed property	-	-	-	-	-	-	(7,241)	7,241	-
Transfers to permanent reserve fund	-	-	534,000	-	-	-	-	(534,000)	-
Balance as at 31 December 2023	25,000,000	730,000	15,665,000	2,557,307	5,251,517	8,931,901	22,227,386	171,351,609	251,714,720
Balance as at 01 January 2024	25,000,000	730,000	15,665,000	2,557,307	5,251,517	8,931,901	22,227,386	171,351,609	251,714,720
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	-	-	64,386,939	64,386,939
Other comprehensive income, net of tax	-	-	-	3,177,242	(3,730,094)	(1,849,445)	-	(9,656,220)	(12,058,517)
Surcharge Tax	-	-	-	-	-	-	-	(1,483,337)	(1,483,337)
Transfers to permanent reserve fund	-	-	1,288,000	-	-	-	-	(1,288,000)	-
Transfer to Special Reserve	-	-	-	-	-	39,922,131	-	(39,922,131)	-
Balance as at 31 December 2024	25,000,000	730,000	16,953,000	5,734,549	1,521,423	47,004,587	22,227,386	183,388,860	302,559,805

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			
Balance as at 01 January 2023	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 year										
Profit for the year	-	-	-	-	-	-	-	27,571,569	46,018	27,617,587
Other comprehensive income, net of tax	-	-	-	2,415,451	(20,369,118)	(2,286,201)	6,136,562	(13,310,635)	16,809	(27,397,132)
Dividends for the year	-	-	-	-	-	-	-	(173,205)	-	(173,205)
Transfers to other reserves	-	-	-	-	-	317,149	-	(317,149)	-	-
Subsidiary dividends to non controlling interest	-	-	-	-	-	-	-	-	(5,437)	(5,437)
Revaluation surplus of disposed property	-	-	-	-	-	-	(7,241)	7,241	-	-
Transfers to permanent reserve fund	-	-	534,000	-	-	-	-	(534,000)	-	-
Reversal of unclaimed dividend	-	-	-	-	-	-	-	-	6,439	6,439
Balance as at 31 December 2023	25,000,000	730,000	15,665,000	4,999,807	5,251,517	13,060,940	33,687,424	173,063,302	1,120,796	272,578,786
Balance as at 01 January 2024	25,000,000	730,000	15,665,000	4,999,807	5,251,517	13,060,940	33,687,424	173,063,302	1,120,796	272,578,786
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	-	65,007,643	53,834	65,061,477
Other comprehensive income, net of tax	-	-	-	2,328,764	(3,730,094)	(2,499,942)	(102,718)	(9,682,023)	(18,172)	(13,704,185)
Subsidiary dividends to non controlling interest	-	-	-	-	-	-	-	-	(6,809)	(6,809)
Transfers to Permanent reserve fund	-	-	1,288,000	-	-	-	-	(1,288,000)	-	-
Transfers to Other reserves	-	-	-	-	-	40,080,972	-	(40,080,972)	-	-
Reversal of unclaimed dividends	-	-	-	-	-	-	-	-	1,828	1,828
Surcharge Tax	-	-	-	-	-	-	-	(1,483,337)	-	(1,483,337)
Balance as at 31 December 2024	25,000,000	730,000	16,953,000	7,328,571	1,521,423	50,641,970	33,584,706	185,536,613	1,151,477	322,447,760

For the year ended 31 December	Bank		Group	
	2024	2023	2024	2023
Cash flows from operating activities				
Profit before income tax	106,904,268	40,342,423	108,221,467	41,773,025
Adjustments for :				
Net interest income	(167,552,460)	(91,187,586)	(171,727,800)	(95,510,112)
Dividend income	(441,824)	(322,009)	(452,739)	(389,099)
Dividends from subsidiaries and associates	(445,167)	(372,900)	-	-
Share of (profit)/ loss of associate companies, net of tax	-	-	(86,425)	(33,507)
Change in operating assets	(31,161,806)	130,572,896	(40,159,508)	126,112,293
Change in operating liabilities	505,870,957	106,210,544	516,726,370	108,724,603
Other non-cash items included in profit before tax	(12,906,185)	15,602,055	(13,154,644)	15,942,446
Other net (gains)/ losses from investing activities	2,091,155	(2,220,585)	1,178,364	(2,918,851)
	402,358,938	198,624,838	400,545,085	193,700,798
Benefit paid from defined benefit plans	(12,902,730)	(12,851,008)	(13,005,447)	(12,858,497)
Interest received	317,771,463	287,270,252	323,352,205	292,995,798
Interest paid	(297,301,377)	(402,296,042)	(300,549,655)	(405,747,564)
Dividends received	67,751	83,926	67,751	96,176
Net cash from/ (used in) operating activities before income tax	409,994,045	70,831,966	410,409,939	68,186,711
Income tax paid	(18,368,958)	(12,124,580)	(18,738,670)	(12,604,215)
Net cash from operating activities	391,625,087	58,707,386	391,671,269	55,582,496
Cash flows from investing activities				
Net increase in financial investments at amortized cost	(595,497,409)	(97,158,853)	(595,638,730)	(96,952,346)
Net increase in financial assets measured at fair value through OCI	(974,336)	(38,256,489)	(1,773,298)	(39,468,843)
Purchase of property, plant and equipment	(5,010,986)	(3,177,730)	(5,325,538)	(3,578,110)
Purchase of intangible assets	(508,908)	(476,639)	(544,655)	(478,130)
Proceeds from sale of property, plant and equipment	17,937	60,688	32,537	96,196
Dividends received	819,240	610,983	384,988	292,923
Interest received	204,156,350	179,414,013	206,247,787	181,368,386
Net cash from/ (used in) investing activities	(396,998,112)	41,015,973	(396,616,909)	41,280,076
Cash flows from financing activities				
Net decrease in other borrowings	(3,577,049)	(63,812,127)	(4,594,255)	(66,809,723)
Proceeds from issue of debentures/ capital bonds	15,000,000	10,000,000	15,000,000	10,622,830
Payments on redemption of debentures	(9,149,654)	(10,385,589)	(9,149,654)	(10,385,589)
Dividends paid to Equity holder of the Bank	-	(173,205)	-	(173,205)
Dividends paid to non controlling interest	-	-	(6,809)	(5,437)
Interest payments on borrowings and debt securities	(15,960,233)	(20,424,195)	(16,219,410)	(20,275,762)
Net cash used in financing activities	(13,686,936)	(84,795,116)	(14,970,128)	(87,026,886)
Net increase/ (decrease) in cash and cash equivalents during the year	(19,059,961)	14,928,243	(19,915,768)	9,835,686
Cash and cash equivalents at the beginning of the year	133,441,074	118,512,831	135,144,996	125,309,310
Cash and cash equivalents at the end of the year	114,381,113	133,441,074	115,229,228	135,144,996
Analysis of cash and cash equivalents				
Cash and cash equivalents	115,422,407	135,550,505	116,281,852	137,369,158
Bank overdrafts	(1,041,294)	(2,109,431)	(1,052,624)	(2,224,162)
Cash and cash equivalents at the end of the year	114,381,113	133,441,074	115,229,228	135,144,996

As at	Bank		Group	
	31-Dec-2024	31-Dec-2023	31-Dec-2024	31-Dec-2023
Net assets value per share (Rs)	12,102.39	10,068.59	12,851.85	10,858.32
Profitability				
Interest margin	3.57%	2.08%	3.61%	2.16%
Return on assets (before tax)	2.28%	0.92%	2.27%	0.94%
Return on equity (after tax)	23.23%	10.55%	21.87%	10.13%
Cost to income	40.08%	55.70%	41.27%	56.79%
Assets Quality				
Impaired Loans (Stage 3) Ratio	7.17%	5.07%		
Impairment (Stage 3) to Stage 3 Loans Ratio	53.63%	60.44%		
Investor Information				
Debt equity (%)	26.82	32.19		
Interest cover (times)	5.96	1.72		
Memorandum Information				
Credit Rating- Fitch	AA-	A		
Number of employees	8,214	8,579		
Number of branches	584	583		

As at	Bank		Group	
	31-Dec-2024	31-Dec-2023	31-Dec-2024	31-Dec-2023
Regulatory Capital (Rs. ' 000)				
Common equity Tier 1	213,974,181	204,342,671	225,092,530	215,172,411
Total Tier I capital	232,324,181	222,692,671	243,442,530	233,448,400
Total capital	295,847,113	276,409,883	308,734,524	288,363,582
Regulatory Capital Ratios (%)				
Common equity Tier I capital ratio (Minimum requirement, Basel III - 8.50%)	11.97%	11.71%	12.15%	12.10%
Total Tier I capital ratio (Minimum requirement, Basel III - 10.00%)	13.00%	12.76%	13.14%	13.12%
Total capital ratio (Minimum requirement, Basel III - 14.00%)	16.55%	15.84%	16.66%	16.21%
Leverage ratio (Minimum requirement - 3%)	4.41%	4.78%	4.56%	4.95%
Regulatory Liquidity				
Statutory liquid assets*				
- Total bank (Rs. ' 000)	N/A	1,783,850,113		
- Domestic banking unit (Rs. ' 000)	N/A	1,624,586,782		
- Off-shore banking unit (US\$ '000)	N/A	607,206		
Statutory liquid assets ratio (minimum requirement - 20%)*				
- Total Bank	N/A	45.00%		
- Domestic banking unit	N/A	42.80%		
- Off-shore banking unit	N/A	54.20%		
Total Stock of High Quality Liquid Assets (Rs. ' 000)	2,197,634,472	1,566,339,976		
Liquidity coverage ratio - Rupee (Minimum requirement - 100%)	329.00%	316.00%		
Liquidity coverage ratio - All currency (Minimum requirement - 100%)	269.63%	227.21%		
Net stable funding ratio (Minimum requirement - 100%)	157.91%	145.00%		

N/A - Not Applicable

* CBSL has discontinued the requirement to maintain the Statutory Liquid Assets Ratio with effect from 15 June 2024.

Shareholder	31-Dec-2024		31-Dec-2023	
	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 2023. 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 2023.
- III. During the period, there were no material changes in the composition of assets, liabilities and contingent liabilities in the Bank. All known expenses have been charged in these financial statements.
- IV. The Bank evaluated the significant increase in credit risk of Individually Significant Loan (ISL) customers intensively and customers who were identified with objective evidence were classified to higher stages too. Use of management overlays were continued to identify the risk elevated industries and exposures in those industries were classified under stage 2. The positive improvement in Economic Factor Adjustment in line with expected reinforcement in economy following the reform activities underway have not been captured in calculating the impairment provision for collectively assessed loan portfolios on prudence basis.
- V. 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 April 2022. If the current portfolio is continued to be measured at FVTOCI, the fair value and the cumulative fair value loss as at 31 December 2024 would have been Rs. 5.7 Bn and Rs. 0.3 Bn respectively.
- VI. During the year some of the SOE restructuring were completed, accordingly recognition of interest income from such SOEs were adjusted in the Financial Statements retrospectively.
- VII. No circumstances have arisen and no material events have occurred since the reporting date, which require disclosures or adjustments to the financial statements.
- VIII. The Group financial statements comprise a consolidation of the Bank and its Subsidiaries, Property Development Limited, Merchant Bank of Sri Lanka & Finance PLC, Hotels Colombo (1963) Limited, BOC Property Development & Management (Private) Limited, BOC Travels (Private) Limited, Ceybank Holiday Homes (Private) Limited, BOC Management & Support Services (Private) Limited, MBSL Insurance Company Limited, and Bank of Ceylon (UK) Limited and the Group’s interest in its Associate companies, Lanka Securities (Private) Limited, Southern Development Financial Company Limited, Transnational Lanka Records Solutions (Private) Limited and Ceybank Asset Management Limited.

IX. In December 2024, the Government of Sri Lanka completed the restructuring of International Sovereign Bonds (SLISBs). Consequently, the Bank recognized the newly issued Bonds and derecognized the investment held in SLISBs as the date of restructuring.

The Bank elected to participating the Local option of the SLISB restructuring proposal, which was specifically offered to local bond holders by the Government of Sri Lanka. As part of this option, 30% of the face value the SLISBs originally held by the Bank was converted in to LKR denominated Bonds. The remaining 70% of the face value was settled through a USD - denominated Step-Up Bond, with a capital haircut of 10%. Additionally, the accrued coupon (Past Due Interest) on the original SLISBs up to 31 March 2024 was settled through a USD – Denominated (PDI Bond) at a haircut of 11%.

The breakdown of the new instruments received in settlement of SLISBs held as at the date of restructuring is as follows:

Types of Bonds	Face Value	Coupon Rate	Maturity/ Amortization	Fair value as at the date of restructuring	Amortised cost as at 31 December 2024
LKR denominated Bonds	Rs. 21,337.8 Mn	SLFR +0.5%	2036 to 2043	Rs. 21,337.8Mn	Rs. 21,953.4 Mn
USD denominated Step-Up Bonds	USD 154.35 Mn (Rs. 45,764.9 Mn)	1% to 3.5%	2029 to 2038 Non- linear amortization	USD 86.37 Mn (Rs. 25,609.8 Mn)	USD 91.04 Mn (Rs. 26,636.3 Mn)
USD denominated PDI Bonds	USD 33.22 Mn (Rs.9,849.5 Mn)	4.0%	2024 to 2028 Non-linear amortization	USD 28.59 Mn (Rs. 8,475.6 Mn)	USD 27.75 Mn (Rs. 8,118.9 Mn)

At the beginning of the year 2024, the Bank has made impairment provision of USD 134.8 million (Rs. 43.7 billion) against the investment made in SLISBs. Out of this provision Rs. 38.6 billion was reversed to the profit and loss after maintaining Rs. 1.2 billion on account of 15% ECL provision for USD denominated PDI Bonds during the year. When taken into account the haircut loss of Rs. 4.9 billion (under the Net gains/ (losses) on derecognition of financial assets at amortised cost) and the Day one loss resulted due to fair value change of Rs. 19.6 billion (Under the interest income) the net impact to the Profit and Loss amounted to Rs. 14.1 billion.

Additionally, a consent fee bond of Rs. 1,344.4 million was received by the Bank which matured on 27 December 2024. This has been amortized over the 60 months and during the year Rs. 22.4 million has been recognized under the Fee and Commission income of these Financial Statements.

Discount rate used in the determination of Fair Value

A discount rate of 10.1% was applied in determining the fair value of the PDI Bond, which was calculated by adding a risk premium to the US Treasury rate prevailing as the date of restructuring. For the Step-Up Bonds, a discount rate of 8.5% was used. The Government of Sri Lanka as reserved the right to settle the Step-Up Bonds in the Sri Lankan rupees if it is unable to settle US Dollars. As a result, a lower discount rate was applied to the Step-Up Bonds, reflecting the rupee settlement option and the corresponding reduction in Credit Risk. Rupee denominated Treasury Bonds are used at the Standard Lending Facility Rate (SLFR) + 0.5%, with interest to be reset every six Months. As these are market - linked instruments, the Bank concluded that there is no material difference between the Face value and the Fair Value of the Bonds at the date of initial recognition.

Sensitivity of the Fair Value of the Bonds to Discount Rate

A 1% increase/ Decrease in the Discount rate of both the Step-Up Bond and the PDI Bond would decrease/ Increase the fair value by approximately Rs. 2.3 billion.

Classification of the new Bonds

The new Bonds have been classified under amortized cost. As of 31st December 2024, the Bank has continued to recognize the new USD denominated bonds under stage 2. Although the Bank recognized an impairment provision of Rs. 1.2 billion on the PDI Bond, no impairment provision has been recognized on the Step-Up Bond since the government has the option of settling the Step-Up Bonds in LKR, if it is unable to settle in Bonds in USD. The Rupee denominated Treasury Bonds received in settlement of Restructured SLISBs have been considered under stage 1 similar to the other Government securities denominated in LKR with no Impairment provision recognized on such Bonds. Both USD and LKR Bonds have been classified under level 2 of the Fair Value Hierarchy in the Financial Statements.

X. Special Reserve on new SLISBs

A special temporary reserve equivalent to 15% (Rs. 5.2 billion) of the amortized cost of the new USD SLISBs were established as per the regulatory guidelines. This requirement is effective for a six- month period starting from 31st December 2024 and not eligible to consider for the capital adequacy.

We certify that the above Financial Statements give a true and fair view of the state of affairs of Bank of Ceylon and the Group as at 31 December 2024 and its profit for the year ended 31 December 2024

Sgd.

M P Ruwan Kumara

Chief Financial Officer

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

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

Sgd.

Kavinda de Zoysa

Chairman

(Independent Non-Executive)

Sgd.

Jayamin Pelpola

Director

(Independent Non-Executive)

Sgd.

W P Russel Fonseka

General Manager

24 February 2025

Colombo

Rs. '000

As at 31 December	2024				
	Fair value through profit or loss	Amortised cost	Fair value through OCI	Others	Total
Financial assets					
Cash and cash equivalents	-	115,422,407	-	-	115,422,407
Balances with Central Banks	-	52,346,230	-	-	52,346,230
Placements with banks	-	62,413,107	-	-	62,413,107
Securities purchased under resale agreements	-	23,982,341	-	-	23,982,341
Derivative financial instruments	23,500,600	-	-	-	23,500,600
Loans and advances	-	2,177,707,779	-	-	2,177,707,779
Financial investments	21,003,177	2,275,934,376	52,049,653	-	2,348,987,206
Total financial assets	44,503,777	4,707,806,240	52,049,653	-	4,804,359,670
Other assets	-	-	-	180,779,306	180,779,306
Total assets	44,503,777	4,707,806,240	52,049,653	180,779,306	4,985,138,976

	Fair value through profit or loss	Amortised Cost	Others	Total
Financial liabilities				
Due to banks	-	1,671,087	-	1,671,087
Securities sold under repurchase agreements	-	131,079,414	-	131,079,414
Derivative financial instruments	16,476,077	-	-	16,476,077
Due to depositors	-	4,208,603,435	-	4,208,603,435
Other borrowings	-	29,143,678	-	29,143,678
Debt securities issued	-	-	-	-
Subordinated liabilities	-	68,535,700	-	68,535,700
Total financial liabilities	16,476,077	4,439,033,314	-	4,455,509,391
Other liabilities	-	-	227,069,780	227,069,780
Total liabilities	16,476,077	4,439,033,314	227,069,780	4,682,579,171

As at 31 December	2023				
	Fair value through profit or loss	Amortised cost	Fair value through OCI	Others	Total
Financial assets					
Cash and cash equivalents	-	135,550,505	-	-	135,550,505
Balances with Central Banks	-	34,932,639	-	-	34,932,639
Placements with banks	-	74,966,171	-	-	74,966,171
Securities purchased under resale agreements	-	3,711,918	-	-	3,711,918
Derivative financial instruments	20,525,840	-	-	-	20,525,840
Loans and advances	-	2,209,061,924	-	-	2,209,061,924
Financial investments	40,642,530	1,653,728,403	49,533,998	-	1,743,904,931
Total financial assets	61,168,370	4,111,951,560	49,533,998	-	4,222,653,928
Other assets	-	-	-	189,094,387	189,094,387
Total assets	61,168,370	4,111,951,560	49,533,998	189,094,387	4,411,748,315

	Fair value through profit or loss	Amortised Cost	Others	Total
Financial liabilities				
Due to banks	-	3,047,732	-	3,047,732
Securities sold under repurchase agreements	-	78,463,070	-	78,463,070
Derivative financial instruments	2,169,202	-	-	2,169,202
Due to depositors	-	3,882,232,323	-	3,882,232,323
Other borrowings	-	33,666,236	-	33,666,236
Debt securities issued	-	-	-	-
Subordinated liabilities	-	64,691,810	-	64,691,810
Total financial liabilities	2,169,202	4,062,101,171	-	4,064,270,373
Other liabilities	-	-	95,763,222	95,763,222
Total liabilities	2,169,202	4,062,101,171	95,763,222	4,160,033,595

Rs. '000

As at 31 December	2024				
	Fair value through profit or loss	Amortised cost	Fair value through OCI	Others	Total
Financial assets					
Cash and cash equivalents	-	116,281,852	-	-	116,281,852
Balances with Central Banks	-	52,346,230	-	-	52,346,230
Placements with banks	-	61,576,750	-	-	61,576,750
Securities purchased under resale agreements	-	21,581,160	-	-	21,581,160
Derivative financial instruments	23,500,600	-	-	-	23,500,600
Loans and advances	-	2,221,161,844	-	-	2,221,161,844
Financial investments	29,762,487	2,282,636,084	53,862,763	-	2,366,261,334
Total financial assets	53,263,087	4,755,583,920	53,862,763	-	4,862,709,770
Other assets	-	-	-	185,961,537	185,961,537
Total assets	53,263,087	4,755,583,920	53,862,763	185,961,537	5,048,671,307

	Fair value through profit or loss	Amortised cost	Others	Total
Financial liabilities				
Due to banks	-	1,682,417	-	1,682,417
Securities sold under repurchase agreements	-	130,030,614	-	130,030,614
Derivative financial instruments	16,476,077	-	-	16,476,077
Due to depositors	-	4,245,531,800	-	4,245,531,800
Other borrowings	-	32,344,253	-	32,344,253
Debt securities issued	-	718,873	-	718,873
Subordinated liabilities	-	68,282,559	-	68,282,559
Total financial liabilities	16,476,077	4,478,590,516	-	4,495,066,593
Other liabilities	-	-	231,156,954	231,156,954
Total liabilities	16,476,077	4,478,590,516	231,156,954	4,726,223,547

As at 31 December	2023				
	Fair value through profit or loss	Amortised cost	Fair value through OCI	Others	Total
Financial assets					
Cash and cash equivalents	-	137,369,158	-	-	137,369,158
Balances with Central Banks	-	34,932,639	-	-	34,932,639
Placements with banks	-	73,024,979	-	-	73,024,979
Securities purchased under resale agreements	-	3,695,392	-	-	3,695,392
Derivative financial instruments	20,525,840	-	-	-	20,525,840
Loans and advances to customers	-	2,240,611,228	-	-	2,240,611,228
Financial investments	48,830,871	1,660,012,978	52,199,685	-	1,761,043,534
Total financial assets	69,356,711	4,149,646,374	52,199,685	-	4,271,202,770
Other assets	-	-	-	196,557,247	196,557,247
Total assets	69,356,711	4,149,646,374	52,199,685	196,557,247	4,467,760,017

	Fair value through profit or loss	Amortised cost	Others	Total
Financial liabilities				
Due to banks	-	3,162,463	-	3,162,463
Securities sold under repurchase agreements	-	77,829,770	-	77,829,770
Derivative financial instruments	2,169,202	-	-	2,169,202
Due to depositors	-	3,909,580,686	-	3,909,580,686
Other borrowings	-	35,592,741	-	35,592,741
Debt securities issued	-	730,839	-	730,839
Subordinated liabilities	-	64,437,320	-	64,437,320
Total financial liabilities	2,169,202	4,091,333,819	-	4,093,503,021
Other liabilities	-	-	101,678,210	101,678,210
Total liabilities	2,169,202	4,091,333,819	101,678,210	4,195,181,231

Description	Note	Interest payable frequency	Issue date	Maturity date	Coupon rate		Interest Rate of comparable Government security	Amount				
					31.12.2024	31.12.2023		Bank		Group		
					%	%		31.12.2024	31.12.2023	31.12.2024	31.12.2023	
Sri Lanka rupee debentures												
Fixed interest rate												
Listed, unsecured, subordinated, redeemable debentures	a	Annually	29.12.2016	28.12.2024	-	12.75	-	-	784	-	784	
Unlisted, unsecured, subordinated, redeemable debentures		Annually	29.12.2017	28.12.2025	12.75	12.75	9.11	5,006,407	5,003,247	5,006,407	5,003,247	
Unlisted, unsecured, subordinated, redeemable debentures		Annually	31.07.2018	30.07.2026	12.00	12.00	9.30	7,027,677	7,027,303	7,027,677	7,027,303	
Unlisted, unsecured, subordinated, redeemable debentures		Annually	27.06.2019	26.04.2024	-	11.75	-	-	3,176,622	-	3,176,622	
Unlisted, unsecured, subordinated, redeemable debentures		Annually	17.07.2019	16.07.2024	-	11.80	-	-	1,104,087	-	1,104,087	
Unlisted, unsecured, subordinated, redeemable debentures		Annually	18.07.2019	17.07.2024	-	11.80	-	-	2,315,154	-	2,315,154	
Unlisted, unsecured, subordinated, redeemable debentures		Annually	23.07.2019	22.07.2024	-	11.80	-	-	2,626,148	-	2,626,148	
Unlisted, unsecured, subordinated, redeemable debentures		Annually	24.07.2019	23.07.2024	-	11.50	-	-	419,669	-	419,669	
Unlisted, unsecured, subordinated, redeemable debentures		Annually	26.07.2019	25.07.2027	11.75	11.75	9.60	64,168	64,171	64,168	64,171	
Unlisted, unsecured, subordinated, redeemable debentures		Annually	30.12.2022	29.12.2027	29.00	29.00	9.91	6,498,975	8,375,369	6,498,975	8,375,369	
Listed, unsecured, subordinated, redeemable debentures With non viability written down features	a	Annually	27.12.2023	26.12.2028	15.00	15.00	10.33	10,019,751	10,019,209	10,019,751	10,019,209	
Listed, unsecured, subordinated, redeemable debentures With non viability written down features	a	Annually	20.09.2024	20.09.2029	13.50	-	10.54	15,547,035	-	15,547,035	-	
								44,164,013	40,131,763	44,164,013	40,131,763	
Floating interest rate												
Listed, unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 125 basis points)	a/b	Semi annually	29.12.2016	28.12.2024	-	15.41	-	-	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	12.10	17.25	9.41	5,469,970	5,496,316	5,216,829	5,241,826	
								5,469,970	5,496,336	5,216,829	5,241,846	
Additional Tier 1 capital bonds												
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	11.81	15.36	-	5,280,531	5,360,837	5,280,531	5,360,837	
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	10.58	14.39	-	10,083,231	10,111,114	10,083,231	10,111,114	
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	11.81	15.36	-	3,537,955	3,591,760	3,537,955	3,591,760	
								18,901,717	19,063,711	18,901,717	19,063,711	
								68,535,700	64,691,810	68,282,559	64,437,320	

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

	01-Jan-2024 to 31-Dec-2024 Rs.	01-Jan-2023 to 31-Dec-2023 Rs.
Market Value		
BoC Debentures 2016/2024 , Unsecured, subordinated, redeemable, 8 years, fixed rate (12.75%)	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 8 years, floating rate (06 months TB rate (Gross) plus 125 basis points)	Not Traded	Not Traded
BoC Debentures 2023/2028 , Unsecured, subordinated, redeemable with non viability written down features 5 years, fixed rate (15.0%)	Not Traded	Not Traded
BoC Debentures 2024/2029 , Unsecured, subordinated, redeemable with non viability written down features 5 years, fixed rate (13.5%)	Not Traded	Not Applicable

YIELD OF LAST TRADE DONE

	31-Dec-2024 %	31-Dec-2023 %
Interest yield as at date of last trade done		
BoC Debentures 2016/2024 , 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
BoC Debentures 2023/2028 , 5 years, fixed rate (15.0%)	Not Traded	Not Traded
BoC Debentures 2024/2029 , 5 years, fixed rate (13.5%)	Not Traded	Not Applicable
Yield to maturity of last trade done		
BoC Debentures 2016/2024 , 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
BoC Debentures 2023/2028 , 5 years, fixed rate (15.0%)	Not Traded	Not Traded
BoC Debentures 2024/2029 , 5 years, fixed rate (13.5%)	Not Traded	Not Applicable

1 Loans and advances to customers

As at	Bank		Group	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Gross loans and receivables	2,436,161,951	2,457,771,739	2,482,029,394	2,491,980,528
Stage 1	1,818,262,438	1,807,745,963	1,848,658,817	1,830,121,287
Stage 2	245,081,345	338,162,831	256,924,852	347,245,385
Stage 3	372,818,168	311,862,945	376,445,725	314,613,856
Less : Accumulated impairment	258,454,172	248,709,815	260,867,550	251,369,300
Stage 1	34,297,861	31,412,474	35,394,469	32,622,298
Stage 2	24,197,486	28,817,796	25,205,508	29,929,889
Stage 3	199,958,825	188,479,545	200,267,573	188,817,113
Net loans and advances	2,177,707,779	2,209,061,924	2,221,161,844	2,240,611,228

2 Loans and advances to customers - By product

As at	Bank		Group	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Local currency				
Overdrafts	128,290,934	130,674,115	128,104,140	130,597,463
Term loans	697,612,516	712,215,258	705,109,186	718,675,881
Lease rentals receivable	17,283,424	15,995,619	28,893,966	24,381,339
Credit cards	10,128,653	9,624,273	10,128,653	9,624,273
Pawning	180,886,194	163,247,841	185,866,675	167,225,944
Housing loans	67,997,632	71,231,393	68,021,378	71,256,953
Trade finance	57,229,912	51,417,495	57,440,185	51,641,847
Personal loans	344,020,059	360,375,320	344,685,010	361,359,304
Staff loans	25,018,168	23,342,462	25,215,917	23,580,654
Foreclosed properties	4,699,188	3,891,415	4,699,188	3,891,415
Other loans	74,288,920	61,411,227	74,288,920	61,411,227
Total local currency loans and advances	1,607,455,600	1,603,426,418	1,632,453,218	1,623,646,300
Foreign currency				
Overdrafts	69,732,135	68,855,646	70,197,288	69,150,463
Term loans	661,779,968	704,469,083	682,144,915	718,143,803
Trade finance	86,051,950	70,443,434	86,051,950	70,443,434
Housing loans	21,646	32,858	21,646	32,858
Staff loans	247,233	218,051	286,956	237,421
Foreclosed properties	6,953	8,149	6,953	8,149
Other loans	10,866,466	10,318,100	10,866,468	10,318,100
Total foreign currency loans and advances	828,706,351	854,345,321	849,576,176	868,334,228
Total loans and advances to customers	2,436,161,951	2,457,771,739	2,482,029,394	2,491,980,528

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)	31,412,474	28,817,796	188,479,545	248,709,815
Charge / (reversal) during the year	(1,395,867)	(1,206,005)	24,846,350	22,244,478
Amount recovered during the year	-	-	(9,818,107)	(9,818,107)
Exchange rate variance on foreign currency impairment	4,281,254	(3,414,305)	(3,548,963)	(2,682,014)
Amount written-off during the year	-	-	69,134	69,134
Other movements	-	-	(69,134)	(69,134)
Closing balance as at 31 December 2024	34,297,861	24,197,486	199,958,825	258,454,172

	Group			
	Stage 1	Stage 2	Stage 3	Total
Opening balance (01 January)	32,622,298	29,929,889	188,817,113	251,369,300
Charge / (reversal) during the year	(1,413,304)	(1,217,443)	24,774,191	22,143,444
Amount recovered during the year	-	-	(9,818,107)	(9,818,107)
Exchange rate variance on foreign currency impairment	4,281,254	(3,414,305)	(3,548,963)	(2,682,014)
Amount written-off during the year	-	-	69,134	69,134
Other movements	(95,779)	(92,633)	(25,795)	(214,207)
Closing balance as at 31 December 2024	35,394,469	25,205,508	200,267,573	260,867,550

Rs.'000

4) Contingent liabilities and commitments

As at	Bank		Group	
	31-Dec-2024	31-Dec-2023	31-Dec-2024	31-Dec-2023
By product - Domestic currency				
Acceptances and documentary credits	155,541,271	156,360,187	155,541,271	156,360,187
Bills for collection	49,793,865	50,645,325	49,793,865	50,645,325
Forward exchange contracts	386,280,769	374,380,469	386,280,769	374,380,469
Guarantees	126,173,739	150,048,539	126,365,697	150,221,232
Undrawn and undisbursed facilities	821,517,745	580,539,424	821,517,745	580,539,424
Other commitments	60,918,463	47,410,863	61,429,120	47,972,356
Total domestic currency contingent liabilities and commitments	1,600,225,852	1,359,384,807	1,600,928,467	1,360,118,992
By product - Foreign currency				
Acceptances and documentary credits	14,650,948	12,632,025	14,650,948	12,640,064
Bills for collection	9,878,967	7,549,785	9,878,967	7,549,785
Forward exchange contracts	15,778,925	18,821,497	15,778,925	27,241,470
Guarantees	9,519,666	14,168,242	9,519,666	14,168,242
Undrawn and undisbursed facilities	27,558,435	22,179,063	27,558,435	22,179,063
Other commitments	110,683,565	104,470,811	111,080,845	104,994,495
Total foreign currency contingent liabilities and commitments	188,070,506	179,821,422	188,467,786	188,773,119
Total Contingent liabilities and commitments	1,788,296,358	1,539,206,229	1,789,396,253	1,548,892,111

5) Financial liabilities at amortised cost

Due to depositors - By product

As at	Bank		Group	
	31-Dec-2024	31-Dec-2023	31-Dec-2024	31-Dec-2023
Local currency				
Demand deposits	188,746,366	180,592,681	188,362,021	180,048,039
Savings deposits	774,866,841	1,034,735,718	776,120,776	1,035,696,345
Time deposits	2,389,692,228	1,695,628,262	2,409,388,408	1,714,698,285
Other deposits	3,794,759	4,035,128	3,794,759	4,042,100
Total local currency deposits	3,357,100,194	2,914,991,789	3,377,665,964	2,934,484,769
Foreign currency				
Demand deposits	49,720,828	50,829,782	50,882,701	51,778,862
Savings deposits	123,622,316	174,171,409	124,401,536	174,970,315
Time deposits	676,655,654	738,711,301	691,077,156	744,818,698
Other deposits	1,504,443	3,528,042	1,504,443	3,528,042
Total foreign currency deposits	851,503,241	967,240,534	867,865,836	975,095,917
Total due to depositors	4,208,603,435	3,882,232,323	4,245,531,800	3,909,580,686

SEGMENTAL ANALYSIS - GROUP

14

Rs. '000												
For the year ended 31 December	Retail banking		Corporate and Offshore banking		International,treasury and investment		Group functions		Unallocated		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenue from external customers:												
Net interest income	49,092,939	29,611,599	43,289,200	25,065,547	75,894,284	36,941,352	4,175,340	4,322,527	(723,963)	(430,913)	171,727,800	95,510,112
Net fee and commission income	19,272,382	14,566,383	2,837,343	3,481,833	(2,551,038)	(1,081,549)	388,614	343,521	1,054,339	687,751	21,001,640	17,997,939
Other income	798,142	343,271	(3,169,568)	(905,468)	(3,943,105)	(8,863,255)	1,412,777	1,639,270	190,068	939,859	(4,711,686)	(6,846,323)
Total operating income	69,163,463	44,521,253	42,956,975	27,641,912	69,400,141	26,996,548	5,976,731	6,305,318	520,444	1,196,697	188,017,754	106,661,728
Expenses :												
Impairment (charge)/ reversal for loans and other losses	(5,169,510)	633,347	(6,401,465)	1,190,236	32,259,709	3,002,967	376,846	142,389	(345,575)	79,727	20,720,005	5,048,666
Total operating expenses	(47,009,283)	(38,171,955)	(6,087,824)	(4,548,108)	(13,160,008)	(8,944,234)	(4,727,948)	(4,758,355)	(827,511)	(592,400)	(71,812,574)	(57,015,052)
Total expenses	(52,178,793)	(37,538,608)	(12,489,289)	(3,357,872)	19,099,701	(5,941,267)	(4,351,102)	(4,615,966)	(1,173,086)	(512,673)	(51,092,569)	(51,966,386)
Operating profit before taxes on financial services	16,984,670	6,982,645	30,467,686	24,284,040	88,499,842	21,055,281	1,625,629	1,689,352	(652,642)	684,024	136,925,185	54,695,342
Taxes on financial services											(28,790,143)	(12,955,824)
Operating profit after taxes on financial services											108,135,042	41,739,518
Share of profits/ (losses) of associate companies, net of tax							86,425	33,507			86,425	33,507
Profit (loss) before income tax	16,984,670	6,982,645	30,467,686	24,284,040	88,499,842	21,055,281	1,712,054	1,722,859	(652,642)	684,024	108,221,467	41,773,025
Income tax expense											(43,159,990)	(14,155,438)
Profit for the period											65,061,477	27,617,587
Total assets	899,747,699	840,145,928	1,076,591,876	1,064,418,496	2,776,613,790	2,269,293,594	63,532,330	56,011,701	232,185,612	237,890,298	5,048,671,307	4,467,760,017
Total liabilities	845,139,895	792,210,941	1,011,250,984	1,003,687,514	2,608,094,571	2,139,817,803	43,644,376	35,147,634	218,093,721	224,317,339	4,726,223,547	4,195,181,231
Cash flows from/ (used in) operating activities	148,791,446	26,044,438	92,413,395	16,170,212	149,300,613	15,792,681	46,182	(3,124,890)	1,119,633	700,055	391,671,269	55,582,496
Cash flows from/ (used in) investing activities	(71,652,594)	7,810,827	(85,735,813)	9,895,886	(221,119,299)	21,097,596	381,204	264,103	(18,490,407)	2,211,664	(396,616,909)	41,280,076
Cash flows from/ (used in) financing activities	(7,142,420)	(16,147,855)	(4,943,318)	(20,458,440)	(1,208,078)	(43,616,498)	(1,283,192)	(2,231,770)	(393,120)	(4,572,323)	(14,970,128)	(87,026,886)
Capital expenditure to non-current assets											(5,870,193)	(3,960,044)
Depreciation and amortization expenses	757,126	733,728	905,938	929,593	2,336,483	1,981,852	113,126	376,311	195,380	207,758	4,308,053	4,229,242

During the period from 01.01.2016 to 31.12.2024

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...)
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.		on or before 29.12.2017					
	3	To strengthen the Bank's liquidity position and to increase the asset base / loan book.							
2023	1	To increase the Tier II capital of the Bank in order to enhance the Capital Adequacy Ratio (CAR) and single borrower limit.	10 Billion	27.12.2023	10 Billion	100	10 Billion	100	Not Applicable
	2	To minimize and manage the gap exposure in the Bank's assets/ liability portfolios.		on or before 27.12.2024					
	3	To strengthen the Bank's liquidity position and to increase the asset base / loan book.							
2024	1	To increase the Tier II capital of the Bank in order to enhance the Capital Adequacy Ratio (CAR) and single borrower limit.	15 Billion	20.09.2024	15 Billion	100	15 Billion	100	Not Applicable
	2	To minimize and manage the gap exposure in the Bank's assets/ liability portfolios.		on or before 20.09.2025					
	3	To strengthen the Bank's liquidity position and to increase the asset base / loan book.							