



INTERIM FINANCIAL STATEMENTS
for the year ended 31 December 2023

Bank of Ceylon

Fitch Ratings: A(lka)

Financial commentary for the year ended 31st December 2023

- Total Assets base of Rs. 4.4 trillion
- Total Deposit base of Rs.3.9 trillion
- Gross loans and advances of Rs. 2.5 trillion

Bank of Ceylon (BoC) demonstrated strong and steady performance across various dimensions, including liquidity, capital, efficiency, profitability and asset quality despite prevailing global and local economic uncertainties. Notably, the Bank reported a Profit Before Tax (PBT) of Rs. 40.3 billion for the year ended 31st December 2023. This achievement showcases the Bank's resilience and ability to navigate through challenging times while delivering positive financial results consistently.

Fund Based & Non- Fund Based Income

The Bank achieved a profit before tax of Rs. 40.3 billion, driven by a significant 15% increase in interest income. However, despite this growth, a sharp rise in interest expenses resulted due to lag effect in repricing the time deposits mobilized at higher rates, accordingly, net interest income decreased by 28% YoY. Moreover, net fee and commission income experienced a growth of 8%, primarily due to increased activity in card transactions, improved remittance inflows, and greater adoption of digital banking services in retail banking.

Impairment Reversal for Loans and Advances and Other Financial Instruments

From the emerging of the economic turmoil the Bank implemented proactive measures to mitigate the credit risk by applying management overlays to identify risk-elevated industries, reassessing exposures to high-risk borrowers and implementing stringent monitoring mechanisms. Under Expected Credit Loss model, the Bank provided considerable level of impairment provision in previous years and by beginning of the year 2023 and the Bank had maintained a provision coverage of 60% for stage 3 loans. As a testament to these efforts, the Bank witnessed a noteworthy net reversal of impairment provisions for loans and advances amounting to Rs. 2.7 billion during the year. This positive outcome was attributed to the synergy of various factors, including robust business revival activities, rigorous credit monitoring practice, and the favorable appreciation of the LKR against USD. Such strategic maneuvers not only safeguard the Bank's financial health but also underscore its commitment to fostering stability and resilience in the face of challenging economic landscapes. By end 2023 also the same coverage ratio, i.e. 60% coverage for stage 3 has been maintained.

Through the Business Revival and Rehabilitation Unit, the Bank adopted a strategy aimed at reviving potential customers rather than pursuing immediate recovery actions. The objective was to identify high-value clients exhibiting early warning signals for closer monitoring. Relationship-building was conducted to persuade these clients toward loan repayment.

Operating Expenses and Profitability

Total operating expenses increased by 10%, mainly due to escalating other expenses in line with higher inflation. However, operating profit before taxes on financial services stood at Rs 53.0 billion, marking a notable improvement of 25% compared to the previous year. The PBT of Rs. 40.3 billion was reported after charging the Value Added Tax (VAT) of Rs. 11.1 billion and Social Security Contribution Levy (SSCL) of Rs. 1.5 billion. Additionally, the Bank incurred income tax expenses amounting to Rs. 13.7 billion for the year, resulting a profit after tax of Rs. 26.7 billion.

Deposit Base, Loans and Advances and Asset Base

Despite the challenges posed by the appreciation of the LKR and moving to low-interest-rates scenario, the Bank's deposit base expanded by 16% to Rs. 3.9 trillion, indicating strong customer confidence. Nevertheless, the Bank adeptly managed its liquidity position by strategically navigating its deposit base amid the liquidity challenges prevalent in the market. During the year the Bank's total assets grew by 2% and reached to Rs. 4.4 trillion, further solidifying its position as a leader in the industry. Due to high interest rate and subdued economic conditions during the first half of the year, a dip in credit demand was experienced. However, with the ease in monetary policies adopted in the latter part of the year, the credit growth started picking up and from June 2023 to December 2023 credit growth of 6% was reported.

Key Performance Indicators

The Bank achieved a Return on Assets (ROA) ratio of 0.92% and reported a Return on Equity (ROE) ratio of 10.55%. Notably, the Bank maintained its Tier I Capital and Total Capital ratios at 12.76% and 15.84%, respectively as of end December 2023, exceeding regulatory requirements.

The Bank remained committed to implementing prudent strategies in balance sheet management, aligning with external dynamics to ensure robust returns, optimal liquidity and sufficient capital adequacy. Amidst the Sri Lankan economy's recovery from recent challenges, the Bank's performance reflects this positive trajectory. Indications in stabilizing the key economic indicators such as interest rates, exchange rates, and inflation instills increased certainty and confidence, fostering conducive conditions for conducting business operations.

Recognition

The Bank was able to honor with a prestigious accolade of 'The Bank of the Year 2023-Sri Lanka' from The Banker Magazine - UK and this is the second time BoC received this global level recognition.

Furthermore, Bank of Ceylon achieved notable recognition, being ranked among the top 1,000 banks worldwide by The Banker Magazine - UK. It stands as the sole Sri Lankan Bank to secure a position in the top 1,000 world banks for 2023. Additionally, BoC retained its position as the No.1 Banking Brand in Sri Lanka for the 15th consecutive year, by Brand Finance Lanka with a brand value of Rs. 50.2 billion.

STATEMENT OF PROFIT OR LOSS

1

Rs. 000

31 December	Bank						Group					
	For the year ended			For the quarter ended			For the year ended			For the quarter ended		
	2023	2022	Change %	2023	2022	Change %	2023	2022	Change %	2023	2022	Change %
Total income	542,187,297	513,149,335	5.7	143,692,406	144,461,037	(0.5)	551,866,763	520,891,164	5.9	146,393,307	146,353,775	0.0
Interest income	524,797,842	456,267,458	15.0	135,847,799	132,659,520	2.4	532,477,761	463,203,346	15.0	137,740,840	134,433,955	2.5
Interest expenses	(433,610,256)	(329,921,080)	31.4	(95,879,359)	(114,228,604)	(16.1)	(436,967,649)	(333,434,454)	31.1	(96,776,689)	(115,108,589)	(15.9)
Net interest income	91,187,586	126,346,378	(27.8)	39,968,440	18,430,916	116.9	95,510,112	129,768,892	(26.4)	40,964,151	19,325,366	112.0
Fee and commission income	25,875,048	22,837,771	13.3	6,934,695	6,576,576	5.4	26,235,325	23,165,682	13.3	7,038,083	6,630,162	6.2
Fee and commission expenses	(8,220,629)	(6,486,129)	26.7	(2,217,475)	(1,995,382)	11.1	(8,237,386)	(6,505,334)	26.6	(2,223,418)	(2,004,981)	10.9
Net fee and commission income	17,654,419	16,351,642	8.0	4,717,220	4,581,194	3.0	17,997,939	16,660,348	8.0	4,814,665	4,625,181	4.1
Net gains/ (losses) from trading	(5,347,822)	17,602,384	(130.4)	2,674,269	1,122,045	138.3	(5,163,417)	17,678,455	(129.2)	2,712,163	1,154,841	134.9
Net fair value gains/ (losses) from financial instruments at fair value through profit or loss	858,722	(804,438)	(206.7)	(536,678)	(755,790)	(29.0)	1,448,963	(956,745)	(251.4)	(457,690)	(829,011)	(44.8)
Net gains/(losses) on derecognition of financial assets	1,361,863	861,349	58.1	120,801	316,879	(61.9)	1,469,888	877,853	67.4	147,442	331,981	(55.6)
Other operating income	(5,358,356)	16,384,811	(132.7)	(1,348,480)	4,541,807	(129.7)	(4,601,757)	16,922,573	(127.2)	(787,531)	4,631,847	(117.0)
	(8,485,593)	34,044,106	(124.9)	909,912	5,224,941	(82.6)	(6,846,323)	34,522,136	(119.8)	1,614,384	5,289,658	(69.5)
Total operating income	100,356,412	176,742,126	(43.2)	45,595,572	28,237,051	61.5	106,661,728	180,951,376	(41.1)	47,393,200	29,240,205	62.1
Impairment (charge)/ reversal												
Loans and advances	2,663,844	(70,760,682)	(103.8)	(341,681)	(5,421,314)	(93.7)	2,791,523	(70,744,177)	(103.9)	(266,529)	(5,314,679)	(95.0)
Other financial assets	2,242,433	(16,395,014)	(113.7)	(8,526,478)	(1,711,609)	398.2	2,257,143	(16,550,728)	(113.6)	(8,511,768)	(1,585,281)	436.9
Net operating income	105,262,689	89,586,430	17.5	36,727,413	21,104,128	74.0	111,710,394	93,656,471	19.3	38,614,903	22,340,245	72.8
Operating expenses												
Personnel expenses	(29,818,199)	(28,991,429)	2.9	(7,348,251)	(7,755,023)	(5.2)	(32,311,680)	(31,352,978)	3.1	(8,031,747)	(8,402,000)	(4.4)
Depreciation and amortisation	(3,852,931)	(4,286,899)	(10.1)	(1,177,211)	(2,005,838)	(41.3)	(4,229,242)	(4,507,368)	(6.2)	(1,306,780)	(1,530,037)	(14.6)
Other expenses	(18,585,567)	(14,018,161)	32.6	(6,121,974)	(4,804,153)	27.4	(20,474,130)	(15,423,966)	32.7	(6,846,738)	(5,067,941)	35.1
Total operating expenses	(52,256,697)	(47,296,489)	10.5	(14,647,436)	(14,565,014)	0.6	(57,015,052)	(51,284,312)	11.2	(16,185,265)	(14,999,978)	7.9
Operating profit before taxes on financial services	53,005,992	42,289,941	25.3	22,079,977	6,539,114	237.7	54,695,342	42,372,159	29.1	22,429,638	7,340,267	205.6
Taxes on Financial Services												
Value Added Tax (VAT) on financial services	(11,122,618)	(11,031,979)	0.8	(3,972,371)	(3,360,544)	18.2	(11,378,354)	(11,155,847)	2.0	(4,051,821)	(3,396,404)	19.3
Social Security Contribution Levy (SSCL)	(1,540,951)	(281,313)	447.8	(397,653)	(281,313)	41.4	(1,577,470)	(286,658)	450.3	(408,886)	(286,658)	42.6
Operating profit after taxes on financial services	40,342,423	30,976,649	30.2	17,709,953	2,897,257	511.3	41,739,518	30,929,654	34.9	17,968,931	3,657,205	391.3
Share of profits/ (losses) of Associate companies, net of tax	-	-	-	-	-	-	33,507	122,847	(72.7)	(21,641)	31,240	(169.3)
Profit before income tax	40,342,423	30,976,649	30.2	17,709,953	2,897,257	511.3	41,773,025	31,052,501	34.5	17,947,290	3,688,445	386.6
Income tax expense	(13,648,897)	995,759	(1,470.7)	(9,084,559)	9,487,206	(195.8)	(14,155,438)	796,516	(1,877.2)	(9,197,980)	9,447,908	(197.4)
Profit for the year	26,693,526	31,972,408	(16.5)	8,625,394	12,384,463	(30.4)	27,617,587	31,849,017	(13.3)	8,749,310	13,136,353	(33.4)
Profit attributable to:												
Equity holder of the Bank	26,693,526	31,972,408	(16.5)	8,625,394	12,384,463	(30.4)	27,571,569	31,994,638	(13.8)	8,726,079	13,163,490	(33.7)
Non controlling interest	-	-	-	-	-	-	46,018	(145,621)	(131.6)	23,231	(27,137)	(185.6)
Profit for the year	26,693,526	31,972,408	(16.5)	8,625,394	12,384,463	(30.4)	27,617,587	31,849,017	(13.3)	8,749,310	13,136,353	(33.4)
Earnings per share:												
Basic earnings per share (Rs.)	1,067.74	1,278.90	(16.5)	345.02	519.38	(33.6)	1,102.86	1,279.79	(13.8)	349.04	526.54	(33.7)
Diluted earnings per share (Rs.)	1,037.45	1,272.08	(18.4)	335.23	508.33	(34.1)	1,071.57	1,272.96	(15.8)	339.14	515.34	(34.2)

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		
	2023	2022	Change %	2023	2022	Change %	2023	2022	Change %	2023	2022	Change %
Profit for the year	26,693,526	31,972,408	(16.5)	8,625,394	12,384,463	(30.4)	27,617,587	31,849,017	(13.3)	8,749,310	13,136,353	(33.4)
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	(1,977,563)	7,564,044	(126.1)	(30,046)	(198,263)	(84.8)	(2,286,201)	9,843,204	(123.2)	243,891	293,852	(17.0)
Net gains/ (losses) on cashflow hedge instruments	(20,369,118)	22,381,369	(191.0)	(1,058,118)	5,034,941	(121.0)	(20,369,118)	22,381,369	(191.0)	(1,058,118)	5,034,941	(121.0)
Net gains/ (losses) on investments in debt instruments measured at FVTOCI	165,673	1,328,890	(87.5)	195,478	356,918	(45.2)	272,685	1,312,732	(79.2)	194,636	404,881	(51.9)
Net (gains)/ losses on FVTOCI financial investments reclassification to profit or loss	-	(5,631)	(100.0)	-	-	-	-	(5,631)	(100.0)	-	-	-
Deferred tax effect on net gains/ (losses) on investments in debt instruments measured at FVTOCI	(148,518)	(140,185)	5.9	(56,621)	47,437	(219.4)	(148,518)	(140,185)	5.9	(56,621)	47,437	(219.4)
Share of other comprehensive income of Associate Companies, net of tax	-	-	-	-	-	-	(2,109)	(20,342)	(89.6)	(3,225)	(12,274)	(73.7)
	(22,329,526)	31,128,487	(171.7)	(949,307)	5,241,033	(118.1)	(22,533,261)	33,371,147	(167.5)	(679,437)	5,768,837	(111.8)
Items that will not be reclassified to profit or loss												
Change in fair value on investments in equity instruments measured at FVTOCI	1,786,818	(313,328)	(670.3)	115,187	302,190	(61.9)	2,412,486	547,780	340.4	472,449	602,017	(21.5)
Deferred tax effect on change in fair value on investments in equity instruments measured at FVTOCI	(107,990)	(586,301)	(81.6)	(104,108)	(363,982)	(71.4)	(107,990)	(586,301)	(81.6)	(104,108)	(363,982)	(71.4)
Changes in revaluation surplus/ (deficit)	6,880,746	1,818,193	278.4	6,880,746	1,818,193	278.4	8,635,144	3,695,662	133.7	8,635,144	3,695,662	133.7
Deferred tax effect on revaluation surplus/ (deficit)	(1,961,601)	(1,859,253)	5.5	(1,961,601)	(1,859,253)	5.5	(2,487,921)	(2,422,494)	2.7	(2,487,921)	(2,422,494)	2.7
Re-measurement of post-employment benefit obligations	(18,940,273)	(3,845,217)	392.6	(18,940,273)	(3,845,217)	392.6	(19,021,132)	(3,797,222)	400.9	(19,021,422)	(3,887,420)	389.3
Deferred tax effect on post-employment benefit obligations	5,682,082	1,464,274	288.0	5,682,082	1,464,274	288.0	5,705,542	1,421,714	301.3	5,705,629	1,402,041	307.0
	(6,660,218)	(3,321,632)	100.5	(8,327,967)	(2,483,795)	235.3	(4,863,871)	(1,140,861)	326.3	(6,800,229)	(974,176)	598.0
Other comprehensive income for the year, net of tax	(28,989,744)	27,806,855	(204.3)	(9,277,274)	2,757,238	(436.5)	(27,397,132)	32,230,286	(185.0)	(7,479,666)	4,794,661	(256.0)
Total comprehensive income for the year	(2,296,218)	59,779,263	(103.8)	(651,880)	15,141,701	(104.3)	220,455	64,079,303	(99.7)	1,269,644	17,931,014	(92.9)
Attributable to:												
Equity holder of the Bank	(2,296,218)	59,779,263	(103.8)	(651,880)	15,141,701	(104.3)	157,628	64,189,129	(99.8)	1,235,168	17,941,982	(93.1)
Non controlling interest	-	-	-	-	-	-	62,827	(109,826)	(157.2)	34,476	(10,968)	(414.3)
Total comprehensive income for the year	(2,296,218)	59,779,263	(103.8)	(651,880)	15,141,701	(104.3)	220,455	64,079,303	(99.7)	1,269,644	17,931,014	(92.9)

Rs. 000

As at	Bank			Group		
	31-Dec-2023	31-Dec-2022	Change %	31-Dec-2023	31-Dec-2022	Change %
Assets						
Cash and cash equivalents	135,550,505	128,401,532	5.6	137,369,158	135,230,827	1.6
Balances with Central Banks	34,932,639	70,494,529	(50.4)	34,932,639	70,494,529	(50.4)
Placements with banks	74,966,171	16,459,303	355.5	73,024,979	17,811,665	310.0
Securities purchased under resale agreements	3,711,918	1,480,403	150.7	3,695,392	1,463,368	152.5
Derivative financial instruments	20,525,840	57,155,486	(64.1)	20,525,840	57,155,486	(64.1)
Financial assets recognized through profit or loss measured at fair value	40,642,530	10,280,055	295.4	48,830,871	10,636,190	359.1
Financial assets at amortized cost						
- loans and advances	2,209,061,924	2,325,594,329	(5.0)	2,240,611,228	2,355,978,333	(4.9)
- debt and other instruments	1,653,728,403	1,555,897,307	6.3	1,660,012,978	1,562,373,679	6.2
Financial assets - measured at fair value through other comprehensive income	49,533,998	8,690,802	470.0	52,199,685	10,750,044	385.6
Investment in Subsidiary companies	8,181,138	8,181,138	-	-	-	-
Investment in Associate companies	92,988	92,988	-	737,115	684,536	7.7
Investment properties	2,414,640	2,414,640	-	95,446	104,798	(8.9)
Property, plant and equipment	42,564,498	34,845,004	22.2	59,566,898	50,992,323	16.8
Right of Use Asset/ Leasehold properties	3,508,618	3,002,305	16.9	2,986,704	2,624,300	13.8
Intangible assets	1,554,875	1,442,433	7.8	1,654,722	1,593,344	3.9
Deferred tax assets	18,503,397	15,577,466	18.8	18,594,558	15,598,541	19.2
Other assets	112,274,233	96,449,984	16.4	112,921,804	97,276,598	16.1
Total assets	4,411,748,315	4,336,459,704	1.7	4,467,760,017	4,390,768,561	1.8
Liabilities						
Due to banks	3,047,732	11,514,897	(73.5)	3,162,463	11,547,714	(72.6)
Securities sold under repurchase agreements	78,463,070	180,218,543	(56.5)	77,829,770	179,938,744	(56.7)
Derivative financial instruments	2,169,202	921,033	135.5	2,169,202	921,033	135.5
Financial liabilities at amortized cost						
- due to depositors	3,882,232,323	3,334,774,261	16.4	3,909,580,686	3,358,198,424	16.4
- due to other borrowers	33,666,236	390,489,543	(91.4)	35,592,741	397,083,583	(91.0)
Debt securities issued	-	-	-	730,839	58,807	1,142.8
Current tax liabilities	7,621,675	6,523,443	16.8	7,877,471	6,853,709	14.9
Deferred tax liabilities	-	-	-	2,933,596	2,694,221	8.9
Insurance provision - Life	-	-	-	359,606	355,190	1.2
Insurance provision - Non life	-	-	-	671,728	662,773	1.4
Other liabilities	88,141,547	94,075,650	(6.3)	89,835,809	96,425,230	(6.8)
Subordinated liabilities	64,691,810	63,758,191	1.5	64,437,320	63,498,599	1.5
Total liabilities	4,160,033,595	4,082,275,561	1.9	4,195,181,231	4,118,238,027	1.9
Equity						
Share capital	25,730,000	25,730,000	-	25,730,000	25,730,000	-
Permanent reserve fund	15,665,000	15,131,000	3.5	15,665,000	15,131,000	3.5
OCI reserve	2,557,307	861,324	196.9	4,999,807	2,584,356	93.5
Cashflow hedge reserve	5,251,517	25,620,635	(79.5)	5,251,517	25,620,635	(79.5)
Retained earnings	171,351,609	158,616,238	8.0	173,063,302	159,819,481	8.3
Other reserves	31,159,287	28,224,946	10.4	46,748,364	42,588,095	9.8
Total equity attributable to equity holder of the Bank	251,714,720	254,184,143	(1.0)	271,457,990	271,473,567	(0.0)
Non controlling interest	-	-	-	1,120,796	1,056,967	6.0
Total equity	251,714,720	254,184,143	(1.0)	272,578,786	272,530,534	0.0
Total liabilities and equity	4,411,748,315	4,336,459,704	1.7	4,467,760,017	4,390,768,561	1.8
Contingent liabilities and commitments	1,539,206,229	1,344,899,769	14.4	1,548,892,111	1,346,920,056	15.0

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		
Balance as at 01 January 2022	25,000,000	-	14,491,000	588,427	3,239,266	3,345,420	17,356,542	136,739,177	200,759,832
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	-	-	31,972,408	31,972,408
Other comprehensive income, net of tax	-	-	-	283,445	22,381,369	7,564,044	(41,060)	(2,380,943)	27,806,855
Dividends for the year	-	-	-	-	-	-	-	(346,410)	(346,410)
Capital infusion during the year	-	730,000	-	-	-	-	-	-	730,000
Surcharge Tax	-	-	-	-	-	-	-	(6,738,542)	(6,738,542)
Transfer from OCI	-	-	-	(10,548)	-	-	-	10,548	-
Transfers to permanent reserve fund	-	-	640,000	-	-	-	-	(640,000)	-
Balance as at 31 December 2022	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
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

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 2022	25,000,000	-	14,491,000	1,483,412	3,239,266	5,186,788	26,302,644	138,104,222	1,589,446	215,396,778
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	-	31,994,638	(145,621)	31,849,017
Other comprehensive income, net of tax	-	-	-	1,111,492	22,381,369	9,843,204	1,255,459	(2,397,033)	35,795	32,230,286
Dividends for the year	-	-	-	-	-	-	-	(346,410)	-	(346,410)
Capital infusion during the year	-	730,000	-	-	-	-	-	-	-	730,000
Surcharge Tax	-	-	-	-	-	-	-	(7,042,422)	-	(7,042,422)
Transfers to permanent reserve fund	-	-	640,000	-	-	-	-	(640,000)	-	-
Reversal of unclaimed dividend	-	-	-	-	-	-	-	1,427	-	1,427
Transfer from OCI	-	-	-	(10,548)	-	-	-	10,548	-	-
Change of non controlling interest	-	-	-	-	-	-	-	134,511	(422,653)	(288,142)
Balance as at 31 December 2022	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
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)
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)	-	-
Transfers to Other reserves	-	-	-	-	-	317,149	-	(317,149)	-	-
Reversal of unclaimed dividends	-	-	-	-	-	-	-	-	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

STATEMENT OF CASH FLOWS

5

Rs.'000

For the year ended 31 December	Bank		Group	
	2023	2022	2023	2022
Cash flows from operating activities				
Profit before income tax	40,342,423	30,976,649	41,773,025	31,052,501
Adjustments for :				
Net interest income	(91,187,586)	(126,346,378)	(95,510,112)	(129,768,892)
Dividend income	(322,009)	(450,977)	(389,099)	(515,426)
Dividends from Subsidiaries and Associates	(372,900)	(107,430)	-	-
Share of profits of Associate companies, net of tax	-	-	(33,507)	(122,847)
Change in operating assets	130,572,896	(392,658,229)	126,112,293	(389,853,461)
Change in operating liabilities	105,063,175	510,080,706	107,623,798	517,045,767
Other non cash items included in profit before tax	16,749,424	105,190,513	17,043,251	105,731,706
Other net losses/ (gains) from investing activities	(2,220,585)	(56,912)	(2,918,851)	72,145
	198,624,838	126,627,942	193,700,798	133,641,493
Contribution paid from defined benefit plans	(12,851,008)	(11,204,969)	(12,858,497)	(11,275,993)
Interest received	287,270,252	289,089,403	292,995,798	295,198,149
Interest paid	(402,296,042)	(177,094,051)	(405,747,564)	(180,307,490)
Dividends received	83,926	73,282	96,176	73,282
Net cash from operating activities before income tax	70,831,966	227,491,607	68,186,711	237,329,441
Income tax paid	(12,124,580)	(5,500,380)	(12,604,215)	(5,796,331)
Surcharge tax paid	-	(6,738,542)	-	(7,042,422)
Net cash from / (used in) operating activities	58,707,386	215,252,685	55,582,496	224,490,688
Cash flows from investing activities				
Net increase in financial investments at amortized cost	(97,158,853)	(136,219,260)	(96,952,346)	(142,193,560)
Net (increase)/ decrease in financial investments recognized at fair value through OCI	(38,256,489)	10,731,712	(39,468,843)	14,095,845
Purchase of property plant and equipment	(3,177,730)	(2,243,640)	(3,578,110)	(2,301,746)
Purchase of intangible assets	(476,639)	(1,027,211)	(478,130)	(1,039,078)
Proceeds from sale of property plant and equipment	60,688	1,414	96,196	8,748
Dividends received	610,983	485,126	292,923	448,891
Interest received	179,414,013	115,497,384	181,368,386	116,324,524
Net cash from / (used in) investing activities	41,015,973	(12,774,475)	41,280,076	(14,656,376)
Cash flows from financing activities				
Net decrease in other borrowings	(63,812,127)	(64,302,108)	(66,809,723)	(61,175,038)
Proceeds from issue of shares	-	730,000	-	730,000
Proceeds from issue of debentures/ capital bonds	10,000,000	6,490,000	10,676,792	6,557,700
Payments on redemption of debentures	(10,385,589)	(8,103,950)	(10,385,589)	(10,211,132)
Dividends paid to Equity holder of the Bank	(173,205)	(346,410)	(173,205)	(346,410)
Dividends paid to non controlling interest	-	-	(5,437)	-
Payments for share repurchase	-	-	-	(287,910)
Interest payments on borrowings and debt securities	(20,424,195)	(85,222,144)	(20,329,724)	(85,537,678)
Net cash from / (used in) financing activities	(84,795,116)	(150,754,612)	(87,026,886)	(150,270,468)
Net increase in cash and cash equivalents during the year	14,928,243	51,723,598	9,835,686	59,563,844
Cash and cash equivalents at the beginning of the year	118,512,831	66,789,233	125,309,310	65,745,466
Cash and cash equivalents at the end of the year	133,441,074	118,512,831	135,144,996	125,309,310
Analysis of cash and cash equivalents				
Cash and cash equivalents	135,550,505	128,401,532	137,369,158	135,230,827
Bank overdrafts	(2,109,431)	(9,888,701)	(2,224,162)	(9,921,517)
Cash and cash equivalents at the end of the year	133,441,074	118,512,831	135,144,996	125,309,310

SELECTED PERFORMANCE INDICATORS
6

As at	Bank		Group	
	31-Dec-2023	31-Dec-2022	31-Dec-2023	31-Dec-2022
Net assets value per share (Rs)	10,068.59	10,167.37	10,858.32	10,858.94
Profitability				
Interest margin	2.08%	3.10%	2.16%	3.15%
Return on assets (before tax)	0.92%	0.76%	0.94%	0.75%
Return on equity (after tax)	10.55%	14.06%	10.13%	13.05%
Assets Quality				
Impaired Loans (Stage 3) Ratio	5.07%	5.27%		
Impairment (Stage 3) to Stage 3 Loans Ratio	60.44%	59.73%		
Investor Information				
Debt equity (%)	32.19	43.89		
Interest cover (times)	1.72	1.32		
Memorandum Information				
Number of employees	8,579	8,209		
Number of branches	583	581		

KEY REGULATORY RATIOS - CAPITAL AND LIQUIDITY

As at	Bank		Group	
	31-Dec-2023	31-Dec-2022	31-Dec-2023	31-Dec-2022
Regulatory Capital (Rs. ' 000)				
Common equity Tier 1	204,342,671	194,949,918	215,172,411	200,533,817
Total Tier I capital	222,692,671	213,299,918	233,448,400	218,883,817
Total capital	276,409,883	264,494,074	288,363,582	270,747,789
Regulatory Capital Ratios (%)				
Common equity Tier 1 capital ratio (Minimum requirement, Basel III - 8.50%)	11.71%	11.34%	12.10%	11.35%
Total Tier I capital ratio (Minimum requirement, Basel III - 10.00%)	12.76%	12.41%	13.12%	12.39%
Total capital ratio (Minimum requirement, Basel III - 14.00%)	15.84%	15.38%	16.21%	15.32%
Leverage ratio (Minimum requirement - 3%)	4.78%	4.59%	4.95%	4.65%
Regulatory Liquidity				
Statutory liquid assets				
- Total bank (Rs. ' 000)	1,783,850,113	802,548,166		
- Domestic banking unit (Rs. ' 000)	1,624,586,782	698,946,861		
- Off-shore banking unit (US\$ '000)	607,206	368,308		
Statutory liquid assets ratio (minimum requirement - 20%)				
- Total Bank	45.00%	23.00%		
- Domestic banking unit	42.80%	21.22%		
- Off-shore banking unit	54.20%	32.79%		
Total Stock of High Quality Liquid Assets (Rs. ' 000)	1,566,339,976	522,718,280		
Liquidity coverage ratio - Rupee (Minimum requirement 2023-100%, 2022-90%)	316.00%	169.00%		
Liquidity coverage ratio - All currency (Minimum requirement 2023-100%, 2022-90%)	227.21%	122.77%		
Net stable funding ratio (Minimum requirement 2023-100%, 2022-90%)	145.00%	137.00%		

SHARE INFORMATION

Shareholder	31-Dec-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 year, 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. Under the National Debt Restructuring process, certain State Owned Enterprises have been considered for restructuring and this fact has not been considered in these Financial Statements.
- V. 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.
- VI. 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 01st 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 2023 would have been Rs. 10.8 Bn and Rs. 1.2 Bn respectively.
- VII. Under the Domestic Debt Optimization (DDO) programme announced by the Government on August 2023, the investments in Sri Lanka Development Bonds (SLDBs) were converted to LKR Treasury Bonds. The Bank assessed the Day 1 impact from this transaction and same was taken into consideration in the preparation of these financial statements.
- 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 31 December 2023 and its profit for the year ended 31 December 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 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

27 February 2024
Colombo

Rs. '000

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

As at 31 December		2022			
	Fair value through profit or loss	Amortised cost	Fair value through OCI	Others	Total
Financial assets					
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
Total financial assets	67,435,541	4,098,327,403	8,690,802	-	4,174,453,746
Other assets	-	-	-	162,005,958	162,005,958
Total assets	67,435,541	4,098,327,403	8,690,802	162,005,958	4,336,459,704

	Fair value through profit or loss	Amortised Cost	Others	Total
Financial liabilities				
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
Total financial liabilities	921,033	3,980,755,435	-	3,981,676,468
Other liabilities	-	-	100,599,093	100,599,093
Total liabilities	921,033	3,980,755,435	100,599,093	4,082,275,561

Rs. '000

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	-	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

As at 31 December		2022			
	Fair value through profit or loss	Amortised cost	Fair value through OCI	Others	Total
Financial assets					
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
Total financial assets	67,791,676	4,143,352,401	10,750,044	-	4,221,894,121
Other assets	-	-	-	168,874,440	168,874,440
Total assets	67,791,676	4,143,352,401	10,750,044	168,874,440	4,390,768,561

	Fair value through profit or loss	Amortised cost	Others	Total
Financial liabilities				
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
Total financial liabilities	921,033	4,010,325,871	-	4,011,246,904
Other liabilities	-	-	106,991,123	106,991,123
Total liabilities	921,033	4,010,325,871	106,991,123	4,118,238,027

Description	Note	Interest payable frequency	Issue date	Maturity date	Coupon rate		Interest Rate of comparable Government security	Amount			
					31.12.2023	31.12.2022		Bank		Group	
								31.12.2023	31.12.2022	31.12.2023	31.12.2022
					%	%	%	Rs '000	Rs '000	Rs '000	Rs '000
Sri Lanka rupee debentures											
Fixed interest rate											
Listed, Unsecured, subordinated, redeemable debentures	a	Annually	25.10.2013	24.10.2023	-	13.75	-	-	1,637,668	-	1,637,668
Listed, Unsecured, subordinated, redeemable debentures	a	Annually	06.10.2015	05.10.2023	-	9.50	-	-	1,205,521	-	1,205,521
Listed, Unsecured, subordinated, redeemable debentures	a	Annually	29.12.2016	28.12.2024	12.75	12.75	13.56	784	784	784	784
Unlisted, Unsecured, subordinated, redeemable debentures		Annually	29.12.2017	28.12.2025	12.75	12.75	13.57	5,003,247	5,004,820	5,003,247	5,004,820
Unlisted, Unsecured, subordinated, redeemable debentures		Annually	31.07.2018	30.07.2026	12.00	12.00	13.66	7,027,303	7,027,089	7,027,303	7,027,089
Unlisted, Unsecured, subordinated, redeemable debentures		Annually	03.12.2018	02.12.2023	12.00	12.00	-	-	5,347,618	-	5,347,618
Unlisted, Unsecured, subordinated, redeemable debentures		Annually	27.06.2019	26.06.2024	11.75	11.75	13.67	3,176,622	3,176,634	3,176,622	3,176,634
Unlisted, Unsecured, subordinated, redeemable debentures		Annually	17.07.2019	16.07.2024	11.80	11.80	13.60	1,104,087	1,104,092	1,104,087	1,104,092
Unlisted, Unsecured, subordinated, redeemable debentures		Annually	18.07.2019	17.07.2024	11.80	11.80	13.60	2,315,154	2,315,164	2,315,154	2,315,164
Unlisted, Unsecured, subordinated, redeemable debentures		Annually	23.07.2019	22.07.2024	11.80	11.80	13.60	2,626,148	2,626,346	2,626,148	2,626,346
Unlisted, Unsecured, subordinated, redeemable debentures		Annually	24.07.2019	23.07.2024	11.50	11.50	13.60	419,669	419,670	419,669	419,670
Unlisted, Unsecured, subordinated, redeemable debentures		Annually	26.07.2019	25.07.2027	11.75	11.75	13.57	64,171	64,174	64,171	64,174
Unlisted, Unsecured, subordinated, redeemable debentures		Annually	30.12.2022	29.12.2027	29.00	29.00	13.54	8,375,369	6,494,529	8,375,369	6,494,529
Listed, Unsecured, subordinated, redeemable debentures with non viability written down features	a	Annually	27.12.2023	27.12.2028	15.00	-	14.07	10,019,209	-	10,019,209	-
								40,131,763	36,424,109	40,131,763	36,424,109
Floating interest rate											
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	-	-	2,194,782	-	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	15.41	33.51	13.56	20	20	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	17.25	35.01	13.64	5,496,316	5,589,394	5,496,316	5,589,394
								5,496,336	7,784,196	5,496,336	7,784,196
Additional Tier I capital bond											
Unlisted, Unsecured, subordinated, perpetual capital bond (12 months TB (Net) rate plus 150 basis points with a Floor rate of 9.5%)		Annually	06.07.2020	N/A	15.36	25.34	-	5,360,837	5,583,891	5,360,837	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	14.39	30.96	-	10,111,114	10,224,787	10,111,114	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	15.36	25.34	-	3,591,760	3,741,208	3,337,270	3,481,616
								19,063,711	19,549,886	18,809,221	19,290,294
								64,691,810	63,758,191	64,437,320	63,498,599

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-2023 to 31-Dec-2023 Rs.	01-Jan-2022 to 31-Dec-2022 Rs.
Market Value		
BoC Debentures 2013/2023 , Unsecured, subordinated, redeemable, 10 years, fixed rate (13.75%)	Not Traded	Not Traded
BoC Debentures 2015/2023 , Unsecured, subordinated, redeemable, 8 years, fixed rate (9.50%)	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 8 years, floating rate (06 months TB rate (Gross) plus 125 basis points)	Not Traded	Not Traded
BoC Debentures 2016/2024 , Unsecured, subordinated, redeemable, 8 years, fixed rate (12.75%)	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 8 years, floating rate (06 months TB rate (Gross) plus 125 basis points)	Not Traded	Not Traded
BoC Debentures 2023/2028 , Unsecured, subordinated, redeemable with non viability written down features fixed rate (15.0%)	Not Traded	Not Traded

YIELD OF LAST TRADE DONE		
	31-Dec-2023 %	31-Dec-2022 %
Interest yield as at date of last trade done		
BoC Debentures 2013/2023 , 10 years, fixed rate (13.75%)	Not Traded	Not Traded
BoC Debentures 2015/2023 , 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
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
Yield to maturity of last trade done		
BoC Debentures 2013/2023 , 10 years, fixed rate (13.75%)	Not Traded	Not Traded
BoC Debentures 2015/2023 , 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
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 , Unsecured, subordinated, redeemable with non viability written down features fixed rate (15.0%)	Not Traded	Not Traded

ADDITIONAL QUARTERLY DISCLOSURES

13

Rs '000

1 Loans and advances to customers

As at	Bank		Group	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Gross loans and receivables	2,457,771,739	2,584,778,967	2,491,980,528	2,617,905,189
Stage 1	1,807,745,963	1,986,928,070	1,830,121,287	2,002,738,770
Stage 2	338,162,831	273,220,831	347,245,385	277,121,666
Stage 3	311,862,945	324,630,066	314,613,856	338,044,753
Less : Accumulated impairment	248,709,815	259,184,638	251,369,300	261,926,856
Stage 1	31,412,474	39,710,949	32,622,298	39,904,019
Stage 2	28,817,796	25,419,553	29,929,889	25,564,731
Stage 3	188,479,545	194,054,136	188,817,113	196,458,106
Net loans and advances	2,209,061,924	2,325,594,329	2,240,611,228	2,355,978,333

2 Loans and advances to customers - By product

As at	Bank		Group	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Local currency				
Overdrafts	130,674,115	146,415,234	130,597,463	146,223,589
Term loans	712,215,258	746,658,700	718,675,881	755,678,340
Lease rentals receivable	15,995,619	20,673,590	24,381,339	29,509,308
Credit cards	9,624,273	7,483,788	9,624,273	7,483,788
Pawning	163,247,841	116,879,501	167,225,944	122,545,263
Housing loans	71,231,393	78,125,880	71,256,953	78,155,920
Trade finance	51,417,495	39,846,557	51,641,847	40,077,612
Personal loans	360,375,320	413,928,850	361,359,304	415,315,733
Staff loans	23,342,462	26,186,008	23,580,654	26,420,658
Foreclosed properties	3,891,415	3,325,096	3,891,415	3,325,096
Other loans	61,411,227	47,861,160	61,411,227	47,861,160
Total local currency loans and advances	1,603,426,418	1,647,384,364	1,623,646,300	1,672,596,467
Foreign currency				
Overdrafts	68,855,646	67,382,222	69,150,463	67,622,802
Term loans	704,469,083	788,273,917	718,143,803	795,933,677
Trade finance	70,443,434	73,328,306	70,443,434	73,328,306
Housing loans	32,858	46,205	32,858	46,205
Staff loans	218,051	32,490	237,421	46,269
Foreclosed properties	8,149	8,624	8,149	8,624
Other loans	10,318,100	8,322,839	10,318,100	8,322,839
Total foreign currency loans and advances	854,345,321	937,394,603	868,334,228	945,308,722
Total loans and advances to customers	2,457,771,739	2,584,778,967	2,491,980,528	2,617,905,189

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

	Bank			
	Stage 1	Stage 2	Stage 3	Total
Opening balance (01 January)	39,710,949	25,419,553	194,054,136	259,184,638
Charge / (reversal) during the period	(7,670,654)	6,263,585	16,465,658	15,058,589
Amount recovered during the period	-	-	(17,722,433)	(17,722,433)
Exchange rate variance on foreign currency impairment	(627,821)	(2,865,342)	(4,317,816)	(7,810,979)
Amount written-off during the period	-	-	(86,065)	(86,065)
Other movements	-	-	86,065	86,065
Closing balance as at 31 December 2023	31,412,474	28,817,796	188,479,545	248,709,815

	Group			
	Stage 1	Stage 2	Stage 3	Total
Opening balance (01 January)	39,904,019	25,564,731	196,458,106	261,926,856
Charge / (reversal) during the period	(7,787,948)	6,257,962	16,460,896	14,930,910
Amount recovered during the period	-	-	(17,722,433)	(17,722,433)
Exchange rate variance on foreign currency impairment	(627,821)	(2,865,342)	(4,317,816)	(7,810,979)
Amount written-off during the period	-	-	(86,065)	(86,065)
Other movements	1,134,048	972,538	(1,975,575)	131,011
Closing balance as at 31 December 2023	32,622,298	29,929,889	188,817,113	251,369,300

Rs.'000

4) Contingent liabilities and commitments

As at	Bank		Group	
	31-Dec-2023	31-Dec-2022	31-Dec-2023	31-Dec-2022
By product - Domestic currency				
Acceptances and documentary credits	156,360,187	145,698,142	156,360,187	145,698,142
Bills for collection	50,645,325	51,385,079	50,645,325	51,385,079
Forward exchange contracts	374,380,469	124,122,135	374,380,469	124,122,135
Guarantees	150,048,539	157,927,423	150,221,232	158,085,923
Undrawn and undisbursed facilities	580,539,424	648,009,606	580,539,424	648,009,622
Other commitments	47,410,863	20,106,379	47,972,356	21,460,286
Total domestic currency contingent liabilities and commitments	1,359,384,807	1,147,248,764	1,360,118,992	1,148,761,187
By product - Foreign currency				
Acceptances and documentary credits	12,632,025	12,249,993	12,640,064	12,757,857
Bills for collection	7,549,785	13,430,539	7,549,785	13,430,539
Forward exchange contracts	18,821,497	75,331,192	27,241,470	75,331,192
Guarantees	14,168,242	10,047,160	14,168,242	10,047,160
Undrawn and undisbursed facilities	22,179,063	29,779,390	22,179,063	29,779,390
Other commitments	104,470,811	56,812,731	104,994,495	56,812,731
Total foreign currency contingent liabilities and commitments	179,821,422	197,651,005	188,773,119	198,158,869
Total Contingent liabilities and commitments	1,539,206,229	1,344,899,769	1,548,892,111	1,346,920,056

5) Financial liabilities at amortised cost

Due to depositors - By product				
As at	Bank		Group	
	31-Dec-2023	31-Dec-2022	31-Dec-2023	31-Dec-2022
Local currency				
Demand deposits	180,592,681	174,674,605	180,048,039	174,245,474
Savings deposits	1,034,735,718	558,213,697	1,035,696,345	558,984,668
Time deposits	1,695,628,262	1,558,730,483	1,714,698,285	1,576,815,334
Other deposits	4,035,128	4,785,426	4,042,100	4,785,426
Total local currency deposits	2,914,991,789	2,296,404,211	2,934,484,769	2,314,830,902
Foreign currency				
Demand deposits	50,829,782	56,168,342	51,778,862	57,356,149
Savings deposits	174,171,409	189,799,490	174,970,315	190,755,490
Time deposits	738,711,301	786,788,397	744,818,698	789,642,062
Other deposits	3,528,042	5,613,821	3,528,042	5,613,821
Total foreign currency deposits	967,240,534	1,038,370,050	975,095,917	1,043,367,522
Total due to depositors	3,882,232,323	3,334,774,261	3,909,580,686	3,358,198,424

SEGMENTAL ANALYSIS - GROUP

14

For the Year ended 31 December	Rs. '000											
	Retail Banking		Corporate Banking		International, Treasury and Investment		Group Functions		Unallocated		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenue from external customers:												
Net interest income	29,611,599	34,752,005	25,065,547	70,584,955	36,941,352	21,922,324	4,322,527	3,422,514	(430,913)	(912,906)	95,510,112	129,768,892
Net fee and commission income	14,566,383	11,549,471	3,481,833	3,907,387	(1,081,549)	341,435	343,521	308,706	687,751	553,349	17,997,939	16,660,348
Other income	343,271	2,238,543	(905,468)	5,345,531	(8,863,255)	26,325,024	1,639,270	478,030	939,859	135,007	(6,846,323)	34,522,136
Total operating income	44,521,253	48,540,019	27,641,912	79,837,873	26,996,548	48,588,783	6,305,318	4,209,250	1,196,697	(224,550)	106,661,728	180,951,376
Expenses :												
Impairment (charge)/reversal for loans and other losses	633,347	(10,971,334)	1,190,236	(56,451,115)	3,002,967	(19,479,956)	142,389	(139,209)	79,727	(253,291)	5,048,666	(87,294,905)
Total operating expenses	(38,171,955)	(34,352,551)	(4,548,108)	(4,788,243)	(8,944,234)	(7,741,813)	(4,758,355)	(3,987,823)	(592,400)	(413,882)	(57,015,052)	(51,284,312)
Total expenses	(37,538,608)	(45,323,885)	(3,357,872)	(61,239,358)	(5,941,267)	(27,221,769)	(4,615,966)	(4,127,032)	(512,673)	(667,173)	(51,966,386)	(138,579,217)
Operating profit before taxes on financial services	6,982,645	3,216,134	24,284,040	18,598,515	21,055,282	21,367,014	1,689,352	82,218	684,024	(891,723)	54,695,342	42,372,159
Taxes on financial services											(12,955,824)	(11,442,505)
Operating profit after taxes on financial services											41,739,518	30,929,654
Share of profits/ (losses) of Associate companies, net of tax							33,507	122,847			33,507	122,847
Profit /(loss) before income tax	6,982,645	3,216,134	24,284,040	18,598,515	21,055,282	21,367,014	1,722,859	205,065	684,024	(891,723)	41,773,025	31,052,501
Income tax expense											(14,155,438)	796,516
Profit for the year											27,617,587	31,849,017
Total assets	840,145,928	891,862,461	1,064,418,496	1,188,838,332	2,269,293,594	2,084,601,281	56,011,701	54,308,859	237,890,298	171,157,628	4,467,760,017	4,390,768,561
Total liabilities	792,210,941	839,585,417	1,003,687,514	1,119,153,872	2,139,817,803	1,962,411,148	35,147,634	35,962,464	224,317,339	161,125,126	4,195,181,231	4,118,238,027
Cash flows from / (used in) operating activities	26,044,438	99,016,235	16,170,212	64,575,806	15,792,681	51,961,998	(3,124,890)	9,238,003	700,055	(301,355)	55,582,496	224,490,688
Cash flows from / (used in) investing activities	7,810,827	(3,321,364)	9,895,886	(4,854,301)	21,097,596	(4,087,832)	264,103	(1,881,901)	2,211,664	(510,979)	41,280,076	(14,656,376)
Cash flows from/ (used in) financing activities	(16,147,855)	(39,196,199)	(20,458,440)	(57,286,753)	(43,616,498)	(48,241,476)	(2,231,770)	484,144	(4,572,323)	(6,030,184)	(87,026,886)	(150,270,468)
Capital expenditure to non current assets											(3,960,044)	(2,316,261)
Depreciation and amortisation expenses	733,728	881,670	929,593	1,175,251	1,981,852	2,060,777	376,311	220,469	207,758	169,201	4,229,242	4,507,368

During the period from 01.01.2016 to 31.12.2023

Year	Objective number	Objective as per Prospectus	Amount allocated as per Prospectus in Rs.	Proposed date of utilisation as per Prospectus	Amount allocated from proceeds in Rs. (A)	% of total proceeds	Amounts utilized in Rs. (B)	% of utilisation 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.							
	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.							
	3	To strengthen the Bank's liquidity position and to increase the asset base / loan book.		on or before 27.12.2024					Funds will be utilised on or before 27.12.2024