

**INTERIM FINANCIAL STATEMENTS**  
**For the nine months ended September 30, 2022**

## Financial review for the nine months ended September 30, 2022

### Operationally strong ComBank Group posts healthy topline growth, amidst prudent provisioning

- 9-month gross income up 62.91% to Rs 195.6 Bn. and 89.58% to Rs 76 Bn. in Q3
- Impairment provisioning nearly triples to Rs 52.3 Bn. for 9 months: Rs 34.3 Bn. increase over first 9 months of 2021 mainly on account of government securities
- Loan book grows by Rs 148 Bn., deposits by Rs 381 Bn. over 9 months, primarily helped by currency depreciation
- Total assets up 20.51% to Rs 2.39 Tn.

The Commercial Bank of Ceylon Group has posted a strong operational performance in the first nine months as well as in the third quarter despite the continuing adverse effects of macroeconomic variables which have necessitated a tripling of impairment provisions for the nine months ended 30th September 2022 and reduced profits for the quarter as well as the year to date compared to the corresponding periods of last year.

Nevertheless, the Bank reported that the third quarter witnessed a reversal of the operating loss before Value Added Tax (VAT) on Financial Services of Rs. 3.581 billion reported for the second quarter of the year.

These achievements were recorded even after providing relief for affected businesses and individuals in line with directions issued by the Central Bank of Sri Lanka as well as the Bank's own relief schemes which included deferment of repayment terms of credit facilities, concessionary rates of interest on eligible loan products (debt moratorium) and waiving off certain fees and charges following the global pandemic, the Bank said.

Comprising of the Commercial Bank of Ceylon PLC, its subsidiaries and an associate, the Group reported gross income of Rs 195.573 billion for the first nine months of 2022 and Rs 76.056 billion for the third quarter, reflecting robust growth rates of 62.91% and 89.58% respectively in topline. Growth in loans and a noteworthy increase in income from interest-earning assets resulted in interest income for nine months improving by 56.15% to Rs 150.257 billion and by an even more impressive 89.04% to Rs 62.140 billion for the third quarter.

However, the growth in deposits in the review period combined with a sharp rise in interest rates and the consequent conversion of low-cost funds to high-cost funds saw interest expenses increasing by 79.58% to Rs 87.443 billion for the nine months, and by a whopping 142.71% to Rs 40.039 billion for the third quarter. The Bank's CASA ratio, an industry benchmark, stood at 40.14% at the end of the nine months reviewed, as against 47.83% at end 2021 and 42.72% at end 2020. The increase in interest rates and the consequent reduction in the CASA ratio contributed to the higher interest expenses recorded in the period reviewed.

Nevertheless, net interest income for the nine months improved by 32.15% to Rs 62.814 billion, while net interest income for the third quarter increased by 34.97% to Rs 22.101 billion. With the escalation in interest expenses, net interest income accounted for 60.49% of the total operating income of the nine months reviewed, in contrast to 68.94% at the end of the third quarter of 2021.

According to the Interim Financial Statements filed with the Colombo Stock Exchange (CSE), the Commercial Bank Group recorded a total operating income of Rs 103.837 billion for the nine months under review, an improvement of 50.59%. The figure for the third quarter was Rs 34.605 billion, reflecting an even stronger growth of 53.07%.

The net fee and commission income of the Group improved by 61.84% to Rs 13.913 billion for the nine months, while other income, which comprises of net gains from trading, net gains from derecognition of financial assets and net other operating income, grew by 111.45% to Rs 27.111 billion. Net gains from trading for the period amounted to Rs 34.124 billion compared to Rs 2.037 billion recorded for the corresponding period of the previous year. This was primarily from realized and unrealized gains from forward exchange contracts, spot and swap transactions and mark to market gains.

Impairment charges and provisions for other losses for the nine months amounted to Rs 52.272 billion, reflecting an increase of Rs 34.274 billion or 190.44% from Rs 17.997 billion recorded for the corresponding nine months of 2021. For the third quarter alone, impairment charges nearly quadrupled to Rs 17.053 billion from Rs 4.343 billion provided in respect of the third quarter of last year. Notably, a substantial portion of the impairment charges is on account of Government Securities denominated in Foreign Currency in view of the Sri Lankan Sovereign rating downgrade and the debt restructuring program currently being negotiated by the Government. Further, the exchange impact on impairment charges on loans and advances and Government Securities denominated in foreign currency was adjusted

in Net Other Operating Income where the corresponding exchange gains are recognised. This was done in order to accurately reflect the underlying cost of risk and also to normalize the exchange gains and losses reported, the Bank said.

As a consequence of the increased impairment charges, net operating income for the nine months under review improved only by a marginal 1.20% to Rs 51.566 billion, while the figure of Rs 17.552 billion for the third quarter reflected a decline of 3.9%.

Operating expenses increased by 22.26% for the nine months to Rs 26.017 billion, and by 10.90% for the third quarter to Rs 7.985 billion, mainly due to the impact of inflationary pressures, Rupee depreciation and an increase in Government taxes. Consequently, personnel expenses increased by 20.40%, depreciation and amortization by 8.58% and other operating expenses by 30.59%. As a result, the Group's operating profit before Value Added Tax on Financial Services reduced by 13.90% to Rs 25.549 billion for the nine months under review and by 13.53% to Rs 9.567 billion for the third quarter.

With VAT on Financial Services reducing by 23.81% to Rs 3.511 billion, the Group reported a profit before tax of Rs 22.036 billion for the nine months, recording a decline of 12.09% over the first nine months of 2021. Income tax for the period increased by 8.70% to Rs 6.576 billion despite the drop in pre-tax profit for the period under review as the figure for the corresponding nine months of 2021 was reduced by the reversal of an over-provision for 2020 resulting from the reduction in the corporate tax rate from 28% to 24%, which was adjusted in the first quarter of 2021.

Consequently, the Group's profit after tax of Rs 15.460 billion for the nine months represented a decline of 18.70% compared to the corresponding period of last year. For the third quarter, the Commercial Bank Group reported a net profit of Rs 6.283 billion, a reduction of 5.72% compared to the same period of last year. Taken separately, Commercial Bank of Ceylon PLC posted a profit before tax of Rs 20.649 billion for the nine months, a drop of 15.46% while profit after tax for the third quarter was down 22.40% to Rs 14.438 billion.

Total assets of the Group grew by Rs 406.810 billion or 20.51% over the nine months to reach Rs 2.390 trillion as at 30<sup>th</sup> September 2022. Asset growth over the preceding 12 months was Rs 427.840 billion or 21.80%. A significant portion of the growth in assets during the period under review was due to the depreciation of the Sri Lankan Rupee against the US Dollar up to June 2022.

Gross loans and advances of the Group increased by Rs 147.574 billion or 13.48% to Rs 1.243 trillion as at 30<sup>th</sup> September 2022, while the growth of the loan book of the Group over the preceding year was Rs 175.451 billion or 16.44%.

Total deposits of the Group recorded a growth of Rs 380.829 billion or 25.86% in the nine months to Rs 1.853 trillion as at 30<sup>th</sup> September 2022, while the YOY deposit growth was Rs 405.581 billion or 28.01%. Here too, the Bank said the primary reason for the growth in gross loans and advances and deposits was the sharp depreciation of the Sri Lankan Rupee against the US Dollar in the first half of the year.

In other key indicators, the Bank's net assets value per share increased by 14.16% to Rs 157.63 from Rs 138.08 as at end 2021. The Bank's Tier 1 Capital Ratio, and the Total Capital Ratio stood at 11.571% and 14.355% respectively as at 30<sup>th</sup> September 2022, both above the statutory minimum ratios of 10% and 14% respectively. The Bank's net interest margin improved to 3.80% for the nine months ended 30<sup>th</sup> September 2022, from 3.51% for the year 2021 and 3.37% for the nine months ended 30<sup>th</sup> September 2021. The Bank's return on assets (before taxes) stood at 1.29% and return on equity at 10.72%.

In terms of asset quality, the Bank's impaired loans (stage 3) ratio stood at 4.09% compared to 3.85% at end 2021, while its stage 3 impairment to stage 3 loans ratio stood at 40.49% as at 30<sup>th</sup> September 2022, compared to 42.76% at end 2021.

The Bank's Cost to Income Ratio before VAT on Financial Services improved to 24.94% for the period under review from 31.61% for 2021 and 33.95% for 2020. The cost to income ratio inclusive of VAT on Financial Services improved to 28.39% from 37.97% for 2021 and 39.96% for 2020.

Sri Lanka's first 100% carbon neutral bank, the first Sri Lankan bank to be listed among the Top 1000 Banks of the World and the only Sri Lankan bank to be so listed for 12 years consecutively, Commercial Bank operates a network of 268 branches and 940 automated machines in Sri Lanka. Commercial Bank is the largest lender to Sri Lanka's SME sector and is a leader in digital innovation in the country's Banking sector. The Bank's overseas operations encompass Bangladesh, where the Bank operates 19 outlets; Myanmar, where it has a Microfinance company in Nay Pyi Taw; and the Maldives, where the Bank has a fully-fledged Tier I Bank with a majority stake.

**INTERIM FINANCIAL STATEMENTS**  
**For the nine months ended September 30, 2022**

## INCOME STATEMENT - GROUP

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	For the nine months ended			For the quarter ended		
	30.09.2022 Rs.'000	30.09.2021 Rs.'000	Change %	30.09.2022 Rs.'000	30.09.2021 Rs.'000	Change %
<b>Gross income</b>	<b>195,573,088</b>	<b>120,050,132</b>	<b>62.91</b>	<b>76,055,638</b>	<b>40,118,637</b>	<b>89.58</b>
Interest income	150,256,650	96,226,505	56.15	62,139,977	32,871,477	89.04
Less : Interest expense	87,442,830	48,693,225	79.58	40,038,742	16,496,229	142.71
<b>Net interest income</b>	<b>62,813,820</b>	<b>47,533,280</b>	<b>32.15</b>	<b>22,101,235</b>	<b>16,375,248</b>	<b>34.97</b>
Fee and commission income	18,205,895	11,002,138	65.48	6,447,150	3,899,728	65.32
Less: Fee and commission expense	4,292,838	2,405,419	78.47	1,411,595	1,015,256	39.04
<b>Net fee and commission income</b>	<b>13,913,057</b>	<b>8,596,719</b>	<b>61.84</b>	<b>5,035,555</b>	<b>2,884,472</b>	<b>74.57</b>
Net gains/(losses) from trading	34,124,096	2,037,057	1,575.17	2,022,197	612,193	230.32
Net gains/(losses) from derecognition of financial assets	171,094	2,976,498	(94.25)	106,832	140,630	(24.03)
Net other operating income/(expense)	(7,184,647)	7,807,934	(192.02)	5,339,482	2,594,609	105.79
<b>Total operating income</b>	<b>103,837,420</b>	<b>68,951,488</b>	<b>50.59</b>	<b>34,605,301</b>	<b>22,607,152</b>	<b>53.07</b>
Less : Impairment charges and other losses	52,271,607	17,997,418	190.44	17,052,988	4,342,977	292.66
<b>Net operating income</b>	<b>51,565,813</b>	<b>50,954,070</b>	<b>1.20</b>	<b>17,552,313</b>	<b>18,264,175</b>	<b>(3.90)</b>
<b>Less: Expenses</b>	<b>26,016,675</b>	<b>21,279,713</b>	<b>22.26</b>	<b>7,985,228</b>	<b>7,200,531</b>	<b>10.90</b>
Personnel expenses	14,639,881	12,159,862	20.40	5,055,534	4,168,300	21.29
Depreciation and amortisation	2,629,476	2,421,733	8.58	905,454	833,731	8.60
Other operating expenses	8,747,318	6,698,118	30.59	2,024,240	2,198,500	(7.93)
<b>Operating profit/(loss) before Value Added Tax on financial services</b>	<b>25,549,138</b>	<b>29,674,357</b>	<b>(13.90)</b>	<b>9,567,085</b>	<b>11,063,644</b>	<b>(13.53)</b>
Less: Value Added Tax on financial services	3,510,627	4,607,628	(23.81)	907,846	1,750,158	(48.13)
<b>Operating profit/(loss) after Value Added Tax on financial services</b>	<b>22,038,511</b>	<b>25,066,729</b>	<b>(12.08)</b>	<b>8,659,239</b>	<b>9,313,486</b>	<b>(7.02)</b>
Share of profit/(loss) of associate, net of tax	(2,256)	83	(2,818.07)	1,220	(330)	469.70
<b>Profit/(loss) before income tax</b>	<b>22,036,255</b>	<b>25,066,812</b>	<b>(12.09)</b>	<b>8,660,459</b>	<b>9,313,156</b>	<b>(7.01)</b>
Less : Income tax expense/(reversal)	6,575,850	6,049,469	8.70	2,377,804	2,649,350	(10.25)
<b>Profit/(loss) for the period</b>	<b>15,460,405</b>	<b>19,017,343</b>	<b>(18.70)</b>	<b>6,282,655</b>	<b>6,663,806</b>	<b>(5.72)</b>
<b>Profit attributable to:</b>						
Equity holders of the Bank	15,036,726	18,844,782	(20.21)	6,095,730	6,587,500	(7.47)
Non-controlling interest	423,679	172,561	145.52	186,925	76,306	144.97
<b>Profit/(loss) for the period</b>	<b>15,460,405</b>	<b>19,017,343</b>	<b>(18.70)</b>	<b>6,282,655</b>	<b>6,663,806</b>	<b>(5.72)</b>
<b>Earnings per share (EPS)</b>						
Basic earnings per ordinary share (Rs.)	12.13	15.78	(23.13)	4.92	5.52	(10.87)
Diluted earnings per ordinary share (Rs.)	12.13	15.78	(23.13)	4.92	5.52	(10.87)

	For the nine months ended			For the quarter ended		
	30.09.2022	30.09.2021	Change	30.09.2022	30.09.2021	Change
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
<b>Profit/(loss) for the period</b>	<b>15,460,405</b>	<b>19,017,343</b>	<b>(18.70)</b>	<b>6,282,655</b>	<b>6,663,806</b>	<b>(5.72)</b>
<b>Other comprehensive income</b>						
<b>Items that will never be reclassified to profit or loss</b>						
Net actuarial gains/(losses) on defined benefit plans	-	(28,970)	100.00	-	-	-
Gains/(losses) on remeasurement of defined benefit liability/asset	-	(838)	100.00	-	-	-
Less : Deferred tax charge/(reversal) on actuarial gains/(losses) - includes the effect of tax rate change in 2020 but adjusted in 2021	-	(28,132)	100.00	-	-	-
Net change in revaluation surplus	-	588,247	(100.00)	-	-	-
Changes in revaluation surplus/(deficit)	-	-	-	-	-	-
Less : Deferred tax charge/(reversal) on revaluation surplus - includes the effect of tax rate change in 2020 but adjusted in 2021	-	588,247	(100.00)	-	-	-
Net change in fair value on investments in equity	(197,932)	(684)	(28,837.43)	27,150	40,377	(32.76)
Change in fair value on investments in equity at fair value through other comprehensive income	(197,932)	(684)	(28,837.43)	27,150	40,377	(32.76)
Transfer of fair value losses o/a reclassification of debt instruments from fair value through other comprehensive income to amortised cost, net of tax	26,481,256	-	100.00	-	-	-
Gain on disposal of investments in equity instruments	7,373	-	100.00	-	-	-
Share of other comprehensive income/(expense) of associate, net of tax	(1,117)	(1,141)	2.10	205	(323)	163.47
<b>Items that are or may be reclassified to profit or loss</b>						
Net gains/(losses) arising from translating the Financial Statements of foreign operations	18,935,868	1,369,565	1,282.62	(4,439,736)	(464,446)	(855.92)
Net gains/(losses) on investment in financial assets at fair value through other comprehensive income	(15,419,551)	(8,761,256)	(76.00)	1,014,206	(8,142,383)	112.46
Fair value gains/(losses) that arose during the period, net of tax	(16,828,666)	(7,042,416)	(138.96)	1,095,398	(7,806,730)	114.03
Fair value (gains)/losses realised to the Income Statement on disposal, net of tax	(130,031)	(2,262,139)	94.25	(81,192)	(106,879)	24.03
Fair value gains/(losses) recycled to the Income Statement as impairment, net of tax	1,539,146	543,299	183.30	-	(228,774)	100.00
Cash flow hedges - effective portion of changes in fair value, net of tax	72,512	13,223	448.38	11,882	(110)	10,901.82
<b>Other comprehensive income/(expense) for the period, net of taxes</b>	<b>29,878,409</b>	<b>(6,821,016)</b>	<b>538.03</b>	<b>(3,386,293)</b>	<b>(8,566,885)</b>	<b>60.47</b>
<b>Total comprehensive income for the period</b>	<b>45,338,814</b>	<b>12,196,327</b>	<b>271.74</b>	<b>2,896,362</b>	<b>(1,903,079)</b>	<b>252.19</b>
<b>Attributable to:</b>						
Equity holders of the Bank	43,452,423	11,916,926	264.63	2,698,508	(1,971,670)	236.86
Non-controlling interest	1,886,391	279,401	575.16	197,854	68,591	188.45
<b>Total comprehensive income for the period</b>	<b>45,338,814</b>	<b>12,196,327</b>	<b>271.74</b>	<b>2,896,362</b>	<b>(1,903,079)</b>	<b>252.19</b>



# INCOME STATEMENT - BANK

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	For the nine months ended			For the quarter ended		
	30.09.2022 Rs.'000	30.09.2021 Rs.'000	Change %	30.09.2022 Rs.'000	30.09.2021 Rs.'000	Change %
<b>Gross income</b>	<b>192,165,385</b>	<b>117,964,326</b>	<b>62.90</b>	<b>74,666,067</b>	<b>39,434,326</b>	<b>89.34</b>
Interest income	147,296,190	94,464,227	55.93	60,900,531	32,273,544	88.70
Less : Interest expense	86,585,653	48,251,228	79.45	39,616,961	16,338,610	142.47
<b>Net interest income</b>	<b>60,710,537</b>	<b>46,212,999</b>	<b>31.37</b>	<b>21,283,570</b>	<b>15,934,934</b>	<b>33.57</b>
Fee and commission income	17,720,513	10,655,231	66.31	6,280,634	3,814,977	64.63
Less: Fee and commission expense	4,257,820	2,393,366	77.90	1,398,404	1,010,988	38.32
<b>Net fee and commission income</b>	<b>13,462,693</b>	<b>8,261,865</b>	<b>62.95</b>	<b>4,882,230</b>	<b>2,803,989</b>	<b>74.12</b>
Net gains/(losses) from trading	34,124,096	2,037,057	1,575.17	2,022,197	612,193	230.32
Net gains/(losses) from derecognition of financial assets	171,094	2,976,498	(94.25)	106,832	140,630	(24.03)
Net other operating income/(expense)	(7,146,508)	7,831,313	(191.26)	5,355,873	2,592,982	106.55
<b>Total operating income</b>	<b>101,321,912</b>	<b>67,319,732</b>	<b>50.51</b>	<b>33,650,702</b>	<b>22,084,728</b>	<b>52.37</b>
Less : Impairment charges and other losses	51,911,506	17,619,542	194.62	16,951,155	4,261,500	297.77
<b>Net operating income</b>	<b>49,410,406</b>	<b>49,700,190</b>	<b>(0.58)</b>	<b>16,699,547</b>	<b>17,823,228</b>	<b>(6.30)</b>
<b>Less: Expenses</b>	<b>25,270,101</b>	<b>20,685,740</b>	<b>22.16</b>	<b>7,718,668</b>	<b>7,075,180</b>	<b>9.10</b>
Personnel expenses	14,153,780	11,795,422	19.99	4,864,567	4,047,140	20.20
Depreciation and amortisation	2,585,341	2,415,047	7.05	881,223	848,532	3.85
Other operating expenses	8,530,980	6,475,271	31.75	1,972,878	2,179,508	(9.48)
<b>Operating profit/(loss) before Value Added Tax on financial services</b>	<b>24,140,305</b>	<b>29,014,450</b>	<b>(16.80)</b>	<b>8,980,879</b>	<b>10,748,048</b>	<b>(16.44)</b>
Less: Value Added Tax on financial services	3,491,469	4,589,846	(23.93)	907,913	1,743,046	(47.91)
<b>Operating profit/(loss) after Value Added Tax on financial services</b>	<b>20,648,836</b>	<b>24,424,604</b>	<b>(15.46)</b>	<b>8,072,966</b>	<b>9,005,002</b>	<b>(10.35)</b>
Less : Income tax expense/(reversal)	6,210,478	5,818,996	6.73	2,226,823	2,533,250	(12.10)
<b>Profit/(loss) for the period</b>	<b>14,438,358</b>	<b>18,605,608</b>	<b>(22.40)</b>	<b>5,846,143</b>	<b>6,471,752</b>	<b>(9.67)</b>
<b>Earnings per share (EPS)</b>						
Basic earnings per ordinary share (Rs.)	11.65	15.58	(25.22)	4.72	5.42	(12.92)
Diluted earnings per ordinary share (Rs.)	11.65	15.58	(25.22)	4.72	5.42	(12.92)

	For the nine months ended			For the quarter ended		
	30.09.2022 Rs.'000	30.09.2021 Rs.'000	Change %	30.09.2022 Rs.'000	30.09.2021 Rs.'000	Change %
<b>Profit/(loss) for the period</b>	<b>14,438,358</b>	<b>18,605,608</b>	<b>(22.40)</b>	<b>5,846,143</b>	<b>6,471,752</b>	<b>(9.67)</b>
<b>Other comprehensive income</b>						
<b>Items that will never be reclassified to profit or loss</b>						
Net actuarial gains/(losses) on defined benefit plans	-	(28,904)	100.00	-	-	-
Gains/(losses) on remeasurement of defined benefit liability/asset	-	-	-	-	-	-
Less : Deferred tax charge/(reversal) on actuarial gains/(losses) - includes the effect of tax rate change in 2020 but adjusted in 2021	-	(28,904)	100.00	-	-	-
Net change in revaluation surplus	-	532,740	(100.00)	-	-	-
Changes in revaluation surplus/(deficit)	-	-	-	-	-	-
Less : Deferred tax charge/(reversal) on revaluation surplus - includes the effect of tax rate change in 2020 but adjusted in 2021	-	532,740	(100.00)	-	-	-
Net change in fair value on investments in equity	(197,932)	(684)	(28,837.43)	27,150	40,377	(32.76)
Change in fair value on investments in equity at fair value through other comprehensive income	(197,932)	(684)	(28,837.43)	27,150	40,377	(32.76)
Transfer of fair value losses o/a reclassification of debt instruments from fair value through other comprehensive income to amortised cost, net of tax	26,481,256	-	100.00	-	-	-
Gain on disposal of investments in equity instruments	7,373	-	100.00	-	-	-
<b>Items that are or may be reclassified to profit or loss</b>						
Net gains/(losses) arising from translating the Financial Statements of foreign operations	15,511,605	1,272,306	1,119.17	(4,401,543)	(381,931)	(1,052.44)
Net gains/(losses) on investment in financial assets at fair value through other comprehensive income	(15,398,069)	(8,762,158)	(75.73)	1,021,952	(8,142,341)	112.55
Fair value gains/(losses) that arose during the period, net of tax	(16,807,184)	(7,043,318)	(138.63)	1,103,144	(7,806,688)	114.13
Fair value (gains)/losses realised to the Income Statement on disposal, net of tax	(130,031)	(2,262,139)	94.25	(81,192)	(106,879)	24.03
Fair value gains/(losses) recycled to the Income Statement as impairment, net of tax	1,539,146	543,299	183.30	-	(228,774)	100.00
Cash flow hedges - effective portion of changes in fair value, net of tax	72,512	13,223	448.38	11,882	(110)	10,901.82
Other comprehensive income/(expense) for the period, net of taxes	26,476,745	(6,973,477)	479.68	(3,340,559)	(8,484,005)	60.63
<b>Total comprehensive income for the period</b>	<b>40,915,103</b>	<b>11,632,131</b>	<b>251.74</b>	<b>2,505,584</b>	<b>(2,012,253)</b>	<b>224.52</b>

## STATEMENT OF FINANCIAL POSITION

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As at	Group			Bank		
	30.09.2022	31.12.2021	Change	30.09.2022	31.12.2021	Change
		( Audited )			( Audited )	
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
<b>ASSETS</b>						
Cash and cash equivalents	117,183,269	69,335,379	69.01	115,987,885	68,078,076	70.37
Balances with Central Banks	60,156,210	56,777,465	5.95	50,225,992	52,897,908	(5.05)
Placements with banks	57,528,580	12,498,709	360.28	56,536,485	11,584,952	388.02
Securities purchased under resale agreements	-	3,000,490	(100.00)	-	3,000,490	(100.00)
Derivative financial assets	8,336,323	3,245,120	156.89	8,336,323	3,245,120	156.89
Financial assets recognised through profit or loss - measured at fair value	42,638,708	23,436,123	81.94	42,638,708	23,436,123	81.94
Financial assets at amortised cost - Loans and advances to other customers	1,159,104,807	1,029,584,075	12.58	1,136,121,535	1,014,618,580	11.98
Financial assets at amortised cost - Debt and other financial instruments	744,530,469	385,390,598	93.19	708,272,738	369,417,889	91.73
Financial assets measured at fair value through other comprehensive income	108,526,607	335,953,802	(67.70)	106,976,948	335,463,338	(68.11)
Investments in subsidiaries	-	-	-	5,808,429	5,808,429	-
Investment in associate	57,053	60,428	(5.59)	44,331	44,331	-
Property, plant and equipment and right-of-use assets	25,881,016	24,744,634	4.59	23,852,100	23,075,467	3.37
Investment properties	72,400	72,400	-	-	-	-
Intangible assets	3,303,890	2,272,639	45.38	2,745,081	1,724,864	59.15
Deferred tax assets	18,688,275	10,036,105	86.21	18,355,515	9,793,129	87.43
Other assets	44,293,042	27,083,177	63.54	44,160,287	27,024,475	63.41
<b>Total Assets</b>	<b>2,390,300,649</b>	<b>1,983,491,144</b>	<b>20.51</b>	<b>2,320,062,357</b>	<b>1,949,213,171</b>	<b>19.03</b>
<b>LIABILITIES</b>						
Due to banks	65,021,690	73,801,195	(11.90)	65,126,753	73,777,420	(11.73)
Derivative financial liabilities	4,350,184	2,092,198	107.92	4,350,184	2,092,198	107.92
Securities sold under repurchase agreements	129,659,272	151,424,854	(14.37)	129,837,305	151,911,842	(14.53)
Financial liabilities at amortised cost - due to depositors	1,853,469,051	1,472,640,456	25.86	1,792,802,024	1,443,093,453	24.23
Financial liabilities at amortised cost - other borrowings	20,905,990	32,587,051	(35.85)	20,905,990	32,587,051	(35.85)
Current tax liabilities	19,391,280	9,486,772	104.40	19,124,762	9,294,180	105.77
Deferred tax liabilities	349,849	349,106	0.21	-	-	-
Other liabilities	41,904,727	33,253,518	26.02	41,461,508	33,210,883	24.84
Due to subsidiaries	-	-	-	96,295	48,699	97.74
Subordinated liabilities	50,935,604	38,303,466	32.98	50,935,604	38,303,466	32.98
<b>Total Liabilities</b>	<b>2,185,987,647</b>	<b>1,813,938,616</b>	<b>20.51</b>	<b>2,124,640,425</b>	<b>1,784,319,192</b>	<b>19.07</b>

As at	Group			Bank		
	30.09.2022	31.12.2021	Change	30.09.2022	31.12.2021	Change
		( Audited )			( Audited )	
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
<b>EQUITY</b>						
Stated capital	58,149,621	54,566,957	6.57	58,149,621	54,566,957	6.57
Statutory reserves	10,590,338	10,590,338	-	10,204,368	10,204,368	-
Retained earnings	10,795,707	9,890,762	9.15	9,504,182	9,028,265	5.27
Other reserves	120,834,984	92,426,660	30.74	117,563,761	91,094,389	29.06
<b>Total equity attributable to equity holders of the Bank</b>	<b>200,370,650</b>	<b>167,474,717</b>	<b>19.64</b>	<b>195,421,932</b>	<b>164,893,979</b>	<b>18.51</b>
<b>Non-controlling Interest</b>	<b>3,942,352</b>	<b>2,077,811</b>	<b>89.74</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Equity</b>	<b>204,313,002</b>	<b>169,552,528</b>	<b>20.50</b>	<b>195,421,932</b>	<b>164,893,979</b>	<b>18.51</b>
<b>Total Liabilities and Equity</b>	<b>2,390,300,649</b>	<b>1,983,491,144</b>	<b>20.51</b>	<b>2,320,062,357</b>	<b>1,949,213,171</b>	<b>19.03</b>
<b>Contingent Liabilities and Commitments</b>	<b>600,709,801</b>	<b>685,379,028</b>	<b>(12.35)</b>	<b>596,546,623</b>	<b>682,399,783</b>	<b>(12.58)</b>
<b>Net Assets Value per Ordinary Share (Rs.)</b>	<b>161.62</b>	<b>140.24</b>	<b>15.25</b>	<b>157.63</b>	<b>138.08</b>	<b>14.16</b>
<b>Memorandum Information</b>						
Number of Employees				5,135	5,072	
Number of Customer Service Centers				287	287	

**CERTIFICATION :**

These Financial Statements have been prepared in compliance with requirements of the Companies Act No. 07 of 2007.

**(Sgd.) K.D.N. Buddhipala**

*Chief Financial Officer*

We, the undersigned, being the Chairman and the Managing Director/Chief Executive Officer of the Commercial Bank of Ceylon PLC, 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,
- (b) the information contained in these financial statements have been extracted from the unaudited Financial Statements of the Group & the Bank, unless indicated as audited.

**(Sgd.) Prof. A. K. W. Jayawardane**

*Chairman*

*November 10, 2022*

*Colombo*

**(Sgd.) S. C. U. Manatunge**

*Managing Director/Chief Executive Officer*

	Stated Capital	Statutory Reserve Fund	Retained Earnings	Other Reserves						Total equity attributable to equity holders of the Bank	Non-Controlling Interest	Total Equity
				Revaluation Reserve	Fair Value Reserve	Foreign Currency Translation Reserve	Hedging Reserve	Employee Share Option Reserve	General Reserve			
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 01.01.2021 - Audited	52,187,747	9,285,233	8,124,261	10,504,768	463,884	3,325,924	(102,511)	433,503	74,970,003	159,192,812	1,755,897	160,948,709
Total comprehensive income for the nine months ended 30.09.2021												
Profit for the nine months ended 30.09.2021	-	-	18,844,782	-	-	-	-	-	-	18,844,782	172,561	19,017,343
Other comprehensive income for the nine months ended 30.09.2021	-	-	(29,223)	579,392	(8,763,081)	1,271,833	13,223	-	-	(6,927,856)	106,840	(6,821,016)
Total comprehensive income for the nine months ended 30.09.2021	-	-	18,815,559	579,392	(8,763,081)	1,271,833	13,223	-	-	11,916,926	279,401	12,196,327
Transactions with owners recognised directly in equity, contributions by and distributions to owners												
Issue of ordinary voting shares under Employee Share Option Plans [ ESOPs ]	39,520	-	-	-	-	-	-	-	-	39,520	-	39,520
Transfer o/a Share-based Payment transactions	3,529	-	-	-	-	-	-	(3,529)	-	-	-	-
Transfer of cost o/a of expired ESOP Shares (net of tax)	-	-	244,188	-	-	-	-	(321,300)	-	(77,112)	-	(77,112)
Dividends to equity holders												
First & Final dividend for 2020 satisfied in the form of cash	-	-	(5,253,070)	-	-	-	-	-	-	(5,253,070)	-	(5,253,070)
First & Final dividend for 2020 satisfied in the form of issue and allotment of new shares	2,334,698	-	(2,334,698)	-	-	-	-	-	-	-	-	-
Final cash dividend for 2020	-	-	-	-	-	-	-	-	-	-	(12,200)	(12,200)
Unclaimed dividend absorbed/(dividend paid) in respect of previous years	-	-	86,849	-	-	-	-	-	-	86,849	-	86,849
Share-based Payment transactions	-	-	-	-	-	-	-	30,797	-	30,797	-	30,797
Transfers during the period	-	2,495	(2,495)	-	-	-	-	-	-	-	-	-
Total transactions with equity holders	2,377,747	2,495	(7,259,226)	-	-	-	-	(294,032)	-	(5,173,016)	(12,200)	(5,185,216)
Balance as at 30.09.2021	54,565,494	9,287,728	19,680,594	11,084,160	(8,299,197)	4,597,757	(89,288)	139,471	74,970,003	165,936,722	2,023,098	167,959,820
Total comprehensive income for the three months ended 31.12.2021												
Profit for the three months ended 31.12.2021	-	-	5,217,687	-	-	-	-	-	-	5,217,687	55,258	5,272,945
Other comprehensive income for the three months ended 31.12.2021	-	-	37,870	551	(3,680,116)	(90,685)	32,946	-	-	(3,699,434)	2,423	(3,697,011)
Total comprehensive income for the three months ended 31.12.2021	-	-	5,255,557	551	(3,680,116)	(90,685)	32,946	-	-	1,518,253	57,681	1,575,934
Transactions with owners recognised directly in equity, contributions by and distributions to owners												
Issue of ordinary voting shares under Employee Share Option Plans [ ESOPs ]	1,346	-	-	-	-	-	-	-	-	1,346	-	1,346
Transfer o/a Share-based Payment transactions	117	-	-	-	-	-	-	(117)	-	-	-	-
Dividends to equity holders												
Unclaimed dividend absorbed / (dividend paid) in respect of previous years	-	-	7,221	-	-	-	-	-	-	7,221	32	7,253
Interim dividend for 2021	-	-	-	-	-	-	-	-	-	-	(3,000)	(3,000)
Share-based Payment transactions	-	-	-	-	-	-	-	11,175	-	11,175	-	11,175
Transfers during the period	-	1,302,610	(15,052,610)	-	-	-	-	-	13,750,000	-	-	-
Total transactions with equity holders	1,463	1,302,610	(15,045,389)	-	-	-	-	11,058	13,750,000	19,742	(2,968)	16,774
Balance as at 31.12.2021 - Audited	54,566,957	10,590,338	9,890,762	11,084,711	(11,979,313)	4,507,072	(56,342)	150,529	88,720,003	167,474,717	2,077,811	169,552,528
Adjustment for Surcharge Tax levied under the Surcharge Tax Act No. 14 of 2022	-	-	(5,205,524)	-	-	-	-	-	-	(5,205,524)	(11,050)	(5,216,574)
Adjusted balance as at 01.01.2022	54,566,957	10,590,338	4,685,238	11,084,711	(11,979,313)	4,507,072	(56,342)	150,529	88,720,003	162,269,193	2,066,761	164,335,954
Total comprehensive income for the nine months ended 30.09.2022												
Profit for the nine months ended 30.09.2022	-	-	15,036,726	-	-	-	-	-	-	15,036,726	423,679	15,460,405
Other comprehensive income for the nine months ended 30.09.2022	-	-	7,373	-	10,862,656	17,473,156	72,512	-	-	28,415,697	1,462,712	29,878,409
Total comprehensive income for the nine months ended 30.09.2022	-	-	15,044,099	-	10,862,656	17,473,156	72,512	-	-	43,452,423	1,886,391	45,338,814
Transactions with owners recognised directly in equity, contributions by and distributions to owners												
Dividends to equity holders												
First & Final dividend for 2021 satisfied in the form of cash	-	-	(5,373,996)	-	-	-	-	-	-	(5,373,996)	-	(5,373,996)
First & Final dividend for 2021 satisfied in the form of issue and allotment of new shares	3,582,664	-	(3,582,664)	-	-	-	-	-	-	-	-	-
Final cash dividend for 2021	-	-	-	-	-	-	-	-	-	-	(10,800)	(10,800)
Unclaimed dividend absorbed/(dividend paid) in respect of previous years	-	-	23,030	-	-	-	-	-	-	23,030	-	23,030
Total transactions with equity holders	3,582,664	-	(8,933,630)	-	-	-	-	-	-	(5,350,966)	(10,800)	(5,361,766)
Balance as at 30.09.2022	58,149,621	10,590,338	10,795,707	11,084,711	(1,116,657)	21,980,228	16,170	150,529	88,720,003	200,370,650	3,942,352	204,313,002

	Stated Capital	Statutory Reserve Fund	Retained Earnings	Other Reserves						Total Equity
				Revaluation Reserve	Fair Value Reserve	Foreign Currency Translation Reserve	Hedging Reserve	Employee Share Option Reserve	General Reserve	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 01.01.2021 - Audited	52,187,747	9,024,065	7,596,260	9,662,912	462,331	2,911,866	(102,511)	433,503	74,970,003	157,146,176
Total comprehensive income for the nine months ended 30.09.2021										
Profit for the nine months ended 30.09.2021	-	-	18,605,608	-	-	-	-	-	-	18,605,608
Other comprehensive income for the nine months ended 30.09.2021	-	-	(28,904)	532,740	(8,762,842)	1,272,306	13,223	-	-	(6,973,477)
Total comprehensive income for the nine months ended 30.09.2021	-	-	18,576,704	532,740	(8,762,842)	1,272,306	13,223	-	-	11,632,131
Transactions with owners recognised directly in equity, contributions by and distributions to owners										
Issue of ordinary voting shares under Employee Share Option Plans [ ESOPs ]	39,520	-	-	-	-	-	-	-	-	39,520
Transfer o/a Share-based Payment transactions	3,529	-	-	-	-	-	-	(3,529)	-	-
Transfer of cost o/a of expired ESOP Shares (net of tax)	-	-	244,188	-	-	-	-	(321,300)	-	(77,112)
Dividends to equity holders										
First & Final dividend for 2020 satisfied in the form of cash	-	-	(5,253,070)	-	-	-	-	-	-	(5,253,070)
First & Final dividend for 2020 satisfied in the form of issue and allotment of new shares	2,334,698	-	(2,334,698)	-	-	-	-	-	-	-
Unclaimed dividend absorbed/(dividend paid) in respect of previous years	-	-	86,849	-	-	-	-	-	-	86,849
Share-based Payment transactions	-	-	-	-	-	-	-	30,797	-	30,797
Total transactions with equity holders	2,377,747	-	(7,256,731)	-	-	-	-	(294,032)	-	(5,173,016)
Balance as at 30.09.2021	54,565,494	9,024,065	18,916,233	10,195,652	(8,300,511)	4,184,172	(89,288)	139,471	74,970,003	163,605,291
Total comprehensive income for the three months ended 31.12.2021										
Profit for the three months ended 31.12.2021	-	-	5,000,443	-	-	-	-	-	-	5,000,443
Other comprehensive income for the three months ended 31.12.2021	-	-	34,955	-	(3,679,664)	(119,450)	32,946	-	-	(3,731,213)
Total comprehensive income for the three months ended 31.12.2021	-	-	5,035,398	-	(3,679,664)	(119,450)	32,946	-	-	1,269,230
Transactions with owners recognised directly in equity, contributions by and distributions to owners										
Issue of ordinary voting shares under Employee Share Option Plans [ ESOPs ]	1,346	-	-	-	-	-	-	-	-	1,346
Transfer o/a Share-based Payment transactions	117	-	-	-	-	-	-	(117)	-	-
Dividends to equity holders										
Unclaimed dividend absorbed / (dividend paid) in respect of previous years	-	-	6,937	-	-	-	-	-	-	6,937
Share-based Payment transactions	-	-	-	-	-	-	-	11,175	-	11,175
Transfers during the period	-	1,180,303	(14,930,303)	-	-	-	-	-	13,750,000	-
Total transactions with equity holders	1,463	1,180,303	(14,923,366)	-	-	-	-	11,058	13,750,000	19,458
Balance as at 31.12.2021 - Audited	54,566,957	10,204,368	9,028,265	10,195,652	(11,980,175)	4,064,722	(56,342)	150,529	88,720,003	164,893,979
Adjustment for Surcharge Tax levied under the Surcharge Tax Act No. 14 of 2022	-	-	(5,036,184)	-	-	-	-	-	-	(5,036,184)
Adjusted balance as at 01.01.2022	54,566,957	10,204,368	3,992,081	10,195,652	(11,980,175)	4,064,722	(56,342)	150,529	88,720,003	159,857,795
Total comprehensive income for the nine months ended 30.09.2022										
Profit for the nine months ended 30.09.2022	-	-	14,438,358	-	-	-	-	-	-	14,438,358
Other comprehensive income for the nine months ended 30.09.2022	-	-	7,373	-	10,885,255	15,511,605	72,512	-	-	26,476,745
Total comprehensive income for the nine months ended 30.09.2022	-	-	14,445,731	-	10,885,255	15,511,605	72,512	-	-	40,915,103
Transactions with owners recognised directly in equity, contributions by and distributions to owners										
Dividends to equity holders										
First & Final dividend for 2021 satisfied in the form of cash	-	-	(5,373,996)	-	-	-	-	-	-	(5,373,996)
First & Final dividend for 2021 satisfied in the form of issue and allotment of new shares	3,582,664	-	(3,582,664)	-	-	-	-	-	-	-
Unclaimed dividend absorbed/(dividend paid) in respect of previous years	-	-	23,030	-	-	-	-	-	-	23,030
Total transactions with equity holders	3,582,664	-	(8,933,630)	-	-	-	-	-	-	(5,350,966)
Balance as at 30.09.2022	58,149,621	10,204,368	9,504,182	10,195,652	(1,094,920)	19,576,327	16,170	150,529	88,720,003	195,421,932

## STATEMENT OF CASH FLOWS

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For the nine months ended September 30,	Group		Bank	
	2022	2021	2022	2021
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Cash Flows from Operating Activities</b>				
Profit before income tax	22,036,255	25,066,812	20,648,836	24,424,604
Adjustments for:				
Non-cash items included in profit before tax	68,157,556	21,902,669	67,771,632	21,554,235
Change in operating assets	(385,760,759)	(177,260,869)	(349,814,176)	(170,945,990)
Change in operating liabilities	348,584,174	186,148,754	317,224,722	180,166,432
(Gains)/losses on sale of property, plant and equipment	(18,171)	(22,617)	(8,716)	(4,595)
Share of profits from associate, net of tax	2,256	(83)	-	-
Dividends received from investments in subsidiaries	-	-	(77,200)	(74,800)
Interest expense on subordinated liabilities	3,308,604	2,508,276	3,308,604	2,508,276
Benefits paid on defined benefit plans	(572,729)	(468,660)	(561,376)	(462,018)
Net unrealized gains/(losses) arising from translating the financial statements of foreign operations	18,935,868	1,369,565	15,511,605	1,272,306
Income tax paid	(8,649,775)	(6,373,969)	(8,352,265)	(6,124,956)
Surcharge tax paid	(5,216,574)	-	(5,036,184)	-
<b>Net cash from/(used in) operating activities</b>	<b>60,806,705</b>	<b>52,869,878</b>	<b>60,615,482</b>	<b>52,313,494</b>
<b>Cash Flows from Investing Activities</b>				
Purchase of property, plant and equipment	(1,614,784)	(710,889)	(1,408,993)	(623,873)
Proceeds from sale of property, plant and equipment	51,045	43,708	15,350	7,618
Purchase of financial investments	(1,200,000)	(5,607,000)	(1,200,000)	(5,607,000)
Proceeds from sale and on maturity of financial investments	917,245	252,293	917,245	252,293
Purchase of intangible assets	(1,433,113)	(509,069)	(1,345,849)	(486,474)
Dividends received from investments in subsidiaries	-	-	77,200	74,800
<b>Net cash from/(used in) investing activities</b>	<b>(3,279,607)</b>	<b>(6,530,957)</b>	<b>(2,945,047)</b>	<b>(6,382,636)</b>
<b>Cash Flows from Financing Activities</b>				
Proceeds from issue of ordinary voting shares under Employee Share Option Plans	-	39,520	-	39,520
Proceeds from issue of subordinated liabilities	-	8,595,470	-	8,595,470
Redemption of subordinated liabilities	-	(4,430,340)	-	(4,430,340)
Interest paid on subordinated liabilities	(3,051,466)	(2,531,545)	(3,051,466)	(2,531,545)
Payment of lease liabilities/advance payment of right-of-use assets	(1,266,148)	(1,085,734)	(1,358,413)	(1,207,077)
Dividend paid to shareholders of the Bank	(5,350,966)	(5,166,221)	(5,350,966)	(5,166,221)
Dividend paid to non-controlling interest	(10,800)	(12,200)	-	-
<b>Net cash from /(used in) financing activities</b>	<b>(9,679,380)</b>	<b>(4,591,050)</b>	<b>(9,760,845)</b>	<b>(4,700,193)</b>
Net increase/(decrease) in cash & cash equivalents	47,847,718	41,747,871	47,909,590	41,230,665
Gross cash and cash equivalents as at January 1,	69,342,992	51,258,271	68,085,631	50,253,868
<b>Gross cash and cash equivalents at end of the period</b>	<b>117,190,710</b>	<b>93,006,142</b>	<b>115,995,221</b>	<b>91,484,533</b>
Less: Impairment charges	(7,441)	(5,796)	(7,336)	(5,796)
<b>Cash and cash equivalents as per Statement of Financial Position (Net)</b>	<b>117,183,269</b>	<b>93,000,346</b>	<b>115,987,885</b>	<b>91,478,737</b>

	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at Amortised Cost (AC)	Financial instruments at fair value through other comprehensive income (FVOCI)	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>FINANCIAL ASSETS</b>				
Cash and cash equivalents		117,183,269		117,183,269
Balances with Central Banks		60,156,210		60,156,210
Placements with banks		57,528,580		57,528,580
Securities purchased under resale agreements		-		-
Derivative financial assets	8,336,323			8,336,323
Financial assets recognised through profit or loss - measured at fair value	42,638,708			42,638,708
Financial assets at amortised cost - Loans and advances to other customers		1,159,104,807		1,159,104,807
Financial assets at amortised cost - Debt and other financial instruments		744,530,469		744,530,469
Financial assets measured at fair value through other comprehensive income			108,526,607	108,526,607
<b>Total financial assets</b>	<b>50,975,031</b>	<b>2,138,503,335</b>	<b>108,526,607</b>	<b>2,298,004,973</b>
		Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at Amortised Cost (AC)	Total
		Rs.'000	Rs.'000	Rs.'000
<b>FINANCIAL LIABILITIES</b>				
Due to banks			65,021,690	65,021,690
Derivative financial liabilities		4,350,184		4,350,184
Securities sold under repurchase agreements			129,659,272	129,659,272
Financial liabilities at amortised cost - due to depositors			1,853,469,051	1,853,469,051
Financial liabilities at amortised cost - other borrowings			20,905,990	20,905,990
Subordinated liabilities			50,935,604	50,935,604
<b>Total financial liabilities</b>		<b>4,350,184</b>	<b>2,119,991,607</b>	<b>2,124,341,791</b>



	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at Amortised Cost (AC)	Financial instruments at fair value through other comprehensive income (FVOCI)	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>FINANCIAL ASSETS</b>				
Cash and cash equivalents		69,335,379		69,335,379
Balances with Central Banks		56,777,465		56,777,465
Placements with banks		12,498,709		12,498,709
Securities purchased under resale agreements		3,000,490		3,000,490
Derivative financial assets	3,245,120			3,245,120
Financial assets recognised through profit or loss - measured at fair value	23,436,123			23,436,123
Financial assets at amortised cost - Loans and advances to other customers		1,029,584,075		1,029,584,075
Financial assets at amortised cost - Debt and other financial instruments		385,390,598		385,390,598
Financial assets measured at fair value through other comprehensive income			335,953,802	335,953,802
<b>Total financial assets</b>	<b>26,681,243</b>	<b>1,556,586,716</b>	<b>335,953,802</b>	<b>1,919,221,761</b>
		Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at Amortised Cost (AC)	Total
		Rs. '000	Rs. '000	Rs. '000
<b>FINANCIAL LIABILITIES</b>				
Due to banks			73,801,195	73,801,195
Derivative financial liabilities		2,092,198		2,092,198
Securities sold under repurchase agreements			151,424,854	151,424,854
Financial liabilities at amortised cost - due to depositors			1,472,640,456	1,472,640,456
Financial liabilities at amortised cost - other borrowings			32,587,051	32,587,051
Subordinated liabilities			38,303,466	38,303,466
<b>Total financial liabilities</b>		<b>2,092,198</b>	<b>1,768,757,022</b>	<b>1,770,849,220</b>

	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at Amortised Cost (AC)	Financial instruments at fair value through other comprehensive income (FVOCI)	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>FINANCIAL ASSETS</b>				
Cash and cash equivalents		115,987,885		115,987,885
Balances with Central Banks		50,225,992		50,225,992
Placements with banks		56,536,485		56,536,485
Securities purchased under resale agreements		-		-
Derivative financial assets	8,336,323			8,336,323
Financial assets recognised through profit or loss - measured at fair value	42,638,708			42,638,708
Financial assets at amortised cost - Loans and advances to other customers		1,136,121,535		1,136,121,535
Financial assets at amortised cost - Debt and other financial instruments		708,272,738		708,272,738
Financial assets measured at fair value through other comprehensive income			106,976,948	106,976,948
<b>Total financial assets</b>	<b>50,975,031</b>	<b>2,067,144,635</b>	<b>106,976,948</b>	<b>2,225,096,614</b>
		Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at Amortised Cost (AC)	Total
		Rs.'000	Rs.'000	Rs.'000
<b>FINANCIAL LIABILITIES</b>				
Due to banks			65,126,753	65,126,753
Derivative financial liabilities		4,350,184		4,350,184
Securities sold under repurchase agreements			129,837,305	129,837,305
Financial liabilities at amortised cost - due to depositors			1,792,802,024	1,792,802,024
Financial liabilities at amortised cost - other borrowings			20,905,990	20,905,990
Subordinated liabilities			50,935,604	50,935,604
<b>Total financial liabilities</b>		<b>4,350,184</b>	<b>2,059,607,676</b>	<b>2,063,957,860</b>

	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at Amortised Cost (AC)	Financial instruments at fair value through other comprehensive income (FVOCI)	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>FINANCIAL ASSETS</b>				
Cash and cash equivalents		68,078,076		68,078,076
Balances with Central Banks		52,897,908		52,897,908
Placements with banks		11,584,952		11,584,952
Securities purchased under resale agreements		3,000,490		3,000,490
Derivative financial assets	3,245,120			3,245,120
Financial assets recognised through profit or loss - measured at fair value	23,436,123			23,436,123
Financial assets at amortised cost - Loans and advances to other customers		1,014,618,580		1,014,618,580
Financial assets at amortised cost - Debt and other financial instruments		369,417,889		369,417,889
Financial assets measured at fair value through other comprehensive income			335,463,338	335,463,338
<b>Total financial assets</b>	<b>26,681,243</b>	<b>1,519,597,895</b>	<b>335,463,338</b>	<b>1,881,742,476</b>
<b>FINANCIAL LIABILITIES</b>				
Due to banks			73,777,420	73,777,420
Derivative financial liabilities		2,092,198		2,092,198
Securities sold under repurchase agreements			151,911,842	151,911,842
Financial liabilities at amortised cost - due to depositors			1,443,093,453	1,443,093,453
Financial liabilities at amortised cost - other borrowings			32,587,051	32,587,051
Subordinated liabilities			38,303,466	38,303,466
<b>Total financial liabilities</b>		<b>2,092,198</b>	<b>1,739,673,232</b>	<b>1,741,765,430</b>

**Level 1**

Inputs that are quoted market prices (unadjusted) in an active market for identical instruments.

Accordingly, if available, the Bank measures the fair value of an instrument using active quoted prices or dealer price quotations without any deduction for transaction costs. A market is regarded as active if transactions for assets and liabilities take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

**Level 2**

Inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices).

This category includes instruments valued using;

- quoted prices in active markets for similar instruments,
- quoted prices for identical or similar instruments in markets that are considered to be less active, or
- other valuation techniques in which almost all significant inputs are directly or indirectly observable from market data.

**Level 3**

Inputs that are unobservable.

This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

This category includes instruments that are valued based on quoted prices of similar instruments for which significant unobservable adjustments or assumptions are required to reflect difference between the instruments.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, risk premiums in estimating discount rates, bond and equity prices, foreign exchange rates, expected price volatilities and corrections.

The following table provides an analysis of assets and liabilities measured at fair value as at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. These amounts were based on the values recognised in the Statement of Financial Position:

	Group				Bank			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
As at September 30, 2022	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Financial Assets</b>								
Derivative financial assets	-	8,336,323	-	8,336,323	-	8,336,323	-	8,336,323
Financial assets recognized through profit or loss - measured at fair value	42,638,708	-	-	42,638,708	42,638,708	-	-	42,638,708
Financial assets measured at fair value through other comprehensive income	108,460,809	-	65,798	108,526,607	106,911,274	-	65,674	106,976,948
<b>Total financial assets at fair value</b>	<b>151,099,517</b>	<b>8,336,323</b>	<b>65,798</b>	<b>159,501,638</b>	<b>149,549,982</b>	<b>8,336,323</b>	<b>65,674</b>	<b>157,951,979</b>
<b>Financial Liabilities</b>								
Derivative financial liabilities	-	4,350,184	-	4,350,184	-	4,350,184	-	4,350,184
<b>Total financial liabilities at fair value</b>	<b>-</b>	<b>4,350,184</b>	<b>-</b>	<b>4,350,184</b>	<b>-</b>	<b>4,350,184</b>	<b>-</b>	<b>4,350,184</b>

  

	Group				Bank			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
As at December 31, 2021 - (Audited)	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Financial Assets</b>								
Derivative financial assets	-	3,245,120	-	3,245,120	-	3,245,120	-	3,245,120
Financial assets recognized through profit or loss - measured at fair value	23,436,123	-	-	23,436,123	23,436,123	-	-	23,436,123
Financial assets measured at fair value through other comprehensive income	278,551,947	57,348,345	53,510	335,953,802	278,061,607	57,348,345	53,386	335,463,338
<b>Total financial assets at fair value</b>	<b>301,988,070</b>	<b>60,593,465</b>	<b>53,510</b>	<b>362,635,045</b>	<b>301,497,730</b>	<b>60,593,465</b>	<b>53,386</b>	<b>362,144,581</b>
<b>Financial Liabilities</b>								
Derivative financial liabilities	-	2,092,198	-	2,092,198	-	2,092,198	-	2,092,198
<b>Total financial liabilities at fair value</b>	<b>-</b>	<b>2,092,198</b>	<b>-</b>	<b>2,092,198</b>	<b>-</b>	<b>2,092,198</b>	<b>-</b>	<b>2,092,198</b>

The following table sets out the fair values of financial assets and liabilities not measured at fair value and related fair value hierarchy used:

	Group					Bank				
	Level 1	Level 2	Level 3	Total fair values	Total carrying amount	Level 1	Level 2	Level 3	Total fair values	Total carrying amount
As at September 30, 2022	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Financial Assets</b>										
Financial assets at amortised cost - Loans and advances to other customers	-	-	1,094,035,245	1,094,035,245	1,159,104,807	-	-	1,071,051,973	1,071,051,973	1,136,121,535
Financial assets at amortised cost - Debt and other financial instruments	444,915,551	48,543,502	-	493,459,053	744,530,469	408,657,820	48,543,502	-	457,201,322	708,272,738
<b>Total financial assets not at fair value</b>	<b>444,915,551</b>	<b>48,543,502</b>	<b>1,094,035,245</b>	<b>1,587,494,298</b>	<b>1,903,635,276</b>	<b>408,657,820</b>	<b>48,543,502</b>	<b>1,071,051,973</b>	<b>1,528,253,295</b>	<b>1,844,394,273</b>
<b>Financial Liabilities</b>										
Financial liabilities at amortised cost - due to depositors	-	-	1,849,773,853	1,849,773,853	1,853,469,051	-	-	1,789,106,826	1,789,106,826	1,792,802,024
Subordinated liabilities	-	-	44,676,996	44,676,996	50,935,604	-	-	44,676,996	44,676,996	50,935,604
<b>Total financial liabilities not at fair value</b>	<b>-</b>	<b>-</b>	<b>1,894,450,849</b>	<b>1,894,450,849</b>	<b>1,904,404,655</b>	<b>-</b>	<b>-</b>	<b>1,833,783,822</b>	<b>1,833,783,822</b>	<b>1,843,737,628</b>

	Group					Bank				
	Level 1	Level 2	Level 3	Total fair values	Total carrying amount	Level 1	Level 2	Level 3	Total fair values	Total carrying amount
As at December 31, 2021 - (Audited)	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Financial Assets</b>										
Financial assets at amortised cost - Loans and advances to other customers	-	-	1,023,382,541	1,023,382,541	1,029,584,075	-	-	1,008,417,046	1,008,417,046	1,014,618,580
Financial assets at amortised cost - Debt and other financial instruments	299,805,766	21,283,153	-	321,088,919	385,390,598	283,833,057	21,283,153	-	305,116,210	369,417,889
<b>Total financial assets not at fair value</b>	<b>299,805,766</b>	<b>21,283,153</b>	<b>1,023,382,541</b>	<b>1,344,471,460</b>	<b>1,414,974,673</b>	<b>283,833,057</b>	<b>21,283,153</b>	<b>1,008,417,046</b>	<b>1,313,533,256</b>	<b>1,384,036,469</b>
<b>Financial Liabilities</b>										
Financial liabilities at amortised cost - due to depositors	-	-	1,473,182,119	1,473,182,119	1,472,640,456	-	-	1,443,635,116	1,443,635,116	1,443,093,453
Subordinated liabilities	-	-	38,730,460	38,730,460	38,303,466	-	-	38,730,460	38,730,460	38,303,466
<b>Total financial liabilities not at fair value</b>	<b>-</b>	<b>-</b>	<b>1,511,912,579</b>	<b>1,511,912,579</b>	<b>1,510,943,922</b>	<b>-</b>	<b>-</b>	<b>1,482,365,576</b>	<b>1,482,365,576</b>	<b>1,481,396,919</b>

**Assets and Liabilities for which fair value approximates carrying value**

For below listed financial assets and liabilities with short-term maturities or with short-term re-pricing intervals, it is assumed that the carrying amounts approximate to their fair value.

**Financial Assets**

- Cash and cash equivalents
- Balances with Central Banks
- Placements with banks
- Securities purchased under resale agreements

**Financial Liabilities**

- Due to banks
- Securities sold under repurchase agreements
- Financial liabilities at amortised cost - other borrowings

	Bank		Group	
	As at 30.09.2022	As at 31.12.2021	As at 30.09.2022	As at 31.12.2021
<b>Regulatory Capital - Rs. '000</b>				
Common Equity Tier I	157,540,297	132,375,019	163,843,868	138,148,271
Tier I Capital	157,540,297	132,375,019	163,843,868	138,148,271
Total Capital	195,439,859	173,756,083	202,587,981	179,968,392
<b>Regulatory Capital Ratios (%)</b>				
Common Equity Tier I Capital Ratio (Minimum Requirement - 8.500%)	11.571	11.923	11.465	12.049
Tier I Capital Ratio (Minimum Requirement - 10.000%)	11.571	11.923	11.465	12.049
Total Capital Ratio (Minimum Requirement - 14.000%)	14.355	15.650	14.176	15.696
<b>Leverage Ratio (%) (Minimum Requirement - 3%)</b>	5.72	5.29	5.80	5.44
<b>Regulatory Liquidity</b>				
Statutory Liquid Assets - Rs. '000				
Domestic Banking Unit	482,882,810	542,366,118		
Off-Shore Banking Unit	41,300,845	31,662,800		
Statutory Liquid Assets Ratio (%) (Minimum Requirement 20%)				
Domestic Banking Unit	29.92	38.73		
Off-Shore Banking Unit	29.71	36.39		
Total Stock of High Quality Liquid Assets - Rs. '000	388,925,563	402,280,333		
Liquidity Coverage Ratio (%) (Minimum Requirement - 2022 - 90%, 2021 - 100%)				
Liquidity Coverage Ratio (%) - Rupee	284.85	425.97		
Liquidity Coverage Ratio (%) - All Currency	222.06	242.52		
Net Stable Funding Ratio (%) (Minimum Requirement - 2022 - 90%, 2021 - 100%)	169.70	157.47		
<b>Asset Quality (Quality of Loan Portfolio)</b>				
Impaired Loans (Stage 3) Ratio (%)	4.09	3.85		
Impairment (Stage 3) to Stage 3 Loans Ratio (%)	40.49	42.76		
<b>Profitability</b>				
Interest Margin (%)	3.80	3.51		
Return on Assets (before tax) (%)	1.29	1.74		
Return on Equity (%)	10.72	14.66		
<b>Debt Security Related Ratios</b>				
Debt to Equity Ratio (%)	29.58	23.74		
Interest Cover (Times)	9.00	13.18		

## OPERATING SEGMENTS - GROUP

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For the nine months ended September 30,	Personal Banking		Corporate Banking		International Operations		Dealing/Treasury		NBFI, Real Estate & Services		Unallocated/Eliminations		Total/Consolidated	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>External Operating income :</b>														
Net interest income	27,170,343	24,015,015	13,085,216	5,084,642	9,637,235	5,255,443	4,878,994	9,722,120	532,659	571,310	7,509,373	2,884,750	62,813,820	47,533,280
Foreign exchange profit	281,855	167,272	(37,943)	56,161	7,684,923	904,843	(10,192,021)	5,502,290	1,225	-	29,716,828	2,624,242	27,454,867	9,254,808
Net fee and commission income	6,526,029	4,481,105	5,414,595	2,472,889	1,644,922	1,164,915	(2,072)	10,710	87,993	154,853	241,590	312,247	13,913,057	8,596,719
Other income	340,101	271,829	(12,001)	182,901	65,761	252,834	(1,321,455)	2,652,183	691,898	703,931	(108,628)	(496,997)	(344,324)	3,566,681
<b>Total Operating income</b>	<b>34,318,328</b>	<b>28,935,221</b>	<b>18,449,867</b>	<b>7,796,593</b>	<b>19,032,841</b>	<b>7,578,035</b>	<b>(6,636,554)</b>	<b>17,887,303</b>	<b>1,313,775</b>	<b>1,430,094</b>	<b>37,359,163</b>	<b>5,324,242</b>	<b>103,837,420</b>	<b>68,951,488</b>
Impairment charges and other losses	(12,677,765)	(10,682,425)	(14,673,255)	(5,194,882)	91,244	(561,446)	(24,770,260)	(1,194,005)	(241,571)	(364,697)	-	37	(52,271,607)	(17,997,418)
<b>Net Operating income</b>	<b>21,640,563</b>	<b>18,252,796</b>	<b>3,776,612</b>	<b>2,601,711</b>	<b>19,124,085</b>	<b>7,016,589</b>	<b>(31,406,814)</b>	<b>16,693,298</b>	<b>1,072,204</b>	<b>1,065,397</b>	<b>37,359,163</b>	<b>5,324,279</b>	<b>51,565,813</b>	<b>50,954,070</b>
<b>Segment result</b>	<b>3,860,614</b>	<b>5,334,263</b>	<b>2,461,539</b>	<b>1,000,584</b>	<b>13,945,236</b>	<b>4,243,441</b>	<b>(31,777,765)</b>	<b>14,132,729</b>	<b>397,333</b>	<b>354,416</b>	<b>33,151,554</b>	<b>1,296</b>	<b>22,038,511</b>	<b>25,066,729</b>
Profit from operations													22,038,511	25,066,729
Share of profit/(loss) of associate, net of tax													(2,256)	83
Income tax expense													(6,575,850)	(6,049,469)
Non-controlling Interest													(423,679)	(172,561)
<b>Net profit for the period, attributable to equity holders of the parent</b>													<b>15,036,726</b>	<b>18,844,782</b>

As at September 30,	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Other information</b>														
Segment assets	702,124,699	632,924,951	546,853,647	389,940,323	391,641,992	238,647,014	802,895,560	712,774,724	14,243,852	12,896,947	(67,516,154)	(24,786,314)	2,390,243,596	1,962,397,645
Investment in associate	-	-	-	-	-	-	-	-	-	-	57,053	63,096	57,053	63,096
<b>Total assets</b>	<b>702,124,699</b>	<b>632,924,951</b>	<b>546,853,647</b>	<b>389,940,323</b>	<b>391,641,992</b>	<b>238,647,014</b>	<b>802,895,560</b>	<b>712,774,724</b>	<b>14,243,852</b>	<b>12,896,947</b>	<b>(67,459,101)</b>	<b>(24,723,218)</b>	<b>2,390,300,649</b>	<b>1,962,460,741</b>
Segment liabilities	1,264,217,276	1,091,802,553	474,070,800	259,260,240	317,011,459	199,420,594	187,537,273	198,360,607	8,374,940	7,255,567	(65,224,101)	38,401,360	2,185,987,647	1,794,500,921
<b>Total liabilities</b>	<b>1,264,217,276</b>	<b>1,091,802,553</b>	<b>474,070,800</b>	<b>259,260,240</b>	<b>317,011,459</b>	<b>199,420,594</b>	<b>187,537,273</b>	<b>198,360,607</b>	<b>8,374,940</b>	<b>7,255,567</b>	<b>(65,224,101)</b>	<b>38,401,360</b>	<b>2,185,987,647</b>	<b>1,794,500,921</b>

For the nine months ended September 30,	2022	2021
	Rs.'000	Rs.'000
<b>Information on cash flows</b>		
Cash flows from operating activities	60,806,705	52,869,878
Cash flows from investing activities	(282,755)	(5,354,707)
Cash flows from financing activities	(9,679,380)	(4,591,050)
Capital expenditure -		
Property, Plant & Equipment	(1,563,739)	(667,181)
Intangible assets	(1,433,113)	(509,069)
<b>Net cash flow generated during the period</b>	<b>47,847,718</b>	<b>41,747,871</b>

## Twenty largest ordinary voting shareholders as at September 30, 2022

Name of the Shareholder	No. of Shares	%
01. DFCC Bank PLC A/C 1	141,453,570	12.12
02. Mr.Y. S. H. I. Silva	115,528,595	9.90
03. Employees' Provident Fund	100,567,740	8.62
04. CB NY S/A International Finance Corporation	83,033,546	7.11
05. Sri Lanka Insurance Corporation Ltd - Life Fund	58,905,563	5.05
06. Mr. D. P. Pieris	57,113,183	4.89
07. Melstacorp PLC	48,290,086	4.14
08. Mr. K. D. D. Perera	42,894,365	3.67
09. CB NY S/A IFC Emerging Asia Fund. LP	42,806,493	3.67
09. CB NY S/A IFC Financial Institutions Growth Fund LP	42,806,493	3.67
11. Sri Lanka Insurance Corporation Ltd - General Fund	41,306,794	3.54
12. Citibank New York S/A Norges Bank Account 2	29,516,844	2.53
13. Employees' Trust Fund Board	20,330,734	1.74
14. Renuka Hotels PLC	14,053,876	1.20
15. Mr. M. J. Fernando	10,492,476	0.90
16. Hallsville Trading Group INC.	10,271,852	0.88
17. Cargo Boat Development Company PLC	9,527,932	0.82
18. Renuka Consultants & Services Limited	9,275,689	0.79
19. Mr. A. H. Munasinghe	7,640,822	0.65
20. Mr. S. V. Somasunderam	6,385,272	0.55
<b>Sub total</b>	<b>892,201,925</b>	<b>76.44</b>
Shares held by Directors	648,449	0.06
Other Shareholders	274,386,068	23.50
<b>Total</b>	<b>1,167,236,442</b>	<b>100.00</b>

Percentage of public holding as at September 30, 2022 - 99.81% (99.80% as at September 30, 2021)

Number of shareholders representing public holding as at September 30, 2022 - 16,998 (16,481 as at September 30, 2021)

## Twenty largest ordinary non-voting shareholders as at September 30, 2022

Name of the Shareholder	No. of Shares	%
01. Employees' Trust Fund Board	5,643,261	7.78
02. Akbar Brothers (Pvt) Ltd. A/C No 1	3,542,491	4.88
03. GF Capital Global Limited	1,875,479	2.59
04. Mr. A. H. Munasinghe	1,762,178	2.43
05. Mr. M. F. Hashim	1,304,361	1.80
06. M. J. F. Exports (Pvt) Ltd	1,240,950	1.71
07. Mrs. L. V. C. Samarasinha	1,144,500	1.58
08. Janashakthi Insurance PLC - Shareholders	1,076,533	1.48
09. Saboor Chatoor (Pvt) Ltd	1,037,989	1.43
10. Mr. T. W. A. Wickramasinghe & Mrs. N. Wickremasinghe (Joint)	985,150	1.36
11. Deutsche Bank AG as Trustee to Assetline Income Plus Growth Fund	935,463	1.29
12. Mr. E. Chatoor	859,134	1.18
13. Bansei Securities Capital (Pvt) Ltd/I. S. P. Perera	836,000	1.15
14. Mr. R. Gautam	785,144	1.08
15. Mr. J. D. Bandaranayake , Ms. N. Bandaranayake & Dr. V. Bandaranayake (Joint)	772,196	1.06
16. Mr. K. S. M. De Silva	756,418	1.04
17. Mr. J. D. Bandaranayake , Dr. V. Bandaranayake & Ms. I. Bandaranayake (Joint)	749,713	1.03
18. Mr. A. L. Gooneratne	747,743	1.03
19. Mr. M. J. Fernando	712,766	0.98
20. Mr. P. G. N. D. Gunathilake	700,000	0.96
<b>Sub total</b>	<b>27,467,469</b>	<b>37.84</b>
Shares held by Directors	81,007	0.01
Other Shareholders	44,993,129	62.15
<b>Total</b>	<b>72,541,605</b>	<b>100.00</b>

Percentage of public holding as at September 30, 2022 - 99.88% (99.86% as at September 30, 2021)

Number of shareholders representing public holding as at September 30, 2022 - 6,017 (5,992 as at September 30, 2021)

## Directors' holding in shares as at September 30, 2022

Name of Director	No. of Shares	
	Voting	Non-voting
Prof. A. K. W. Jayawardane - Chairman	13,580	-
Mr. Sharhan Muhseen- Deputy Chairman	2,598	-
Mr. S. C. U. Manatunge - Managing Director/Chief Executive Officer	75,815	-
Mr. S. Prabagar - Chief Operating Officer	165,703	24,578
Mr. K. Dharmasiri	-	-
Mr. L. D. Niyangoda	-	-
Ms. N. T. M. S. Cooray	363,592	56,429
Ms. Judy Lee	-	-
Mr. Raja Senanayake	-	-
Ms. D. L. T. S. Wijewardena	-	-
Dr. S. Selliah	27,161	-
<b>Total</b>	<b>648,449</b>	<b>81,007</b>



	2022 Rs.	2021 Rs.
<b>Market price of an ordinary share as at September 30,</b>		
Voting	55.00	84.50
Non-Voting	42.10	76.00
<b>Highest price during the quarter ended September 30,</b>		
Voting	59.90	89.60
Non-Voting	50.60	81.10
<b>Lowest price during the quarter ended September 30,</b>		
Voting	49.60	82.00
Non-Voting	39.40	73.70
<b>As at September 30,</b>	<b>2022</b>	<b>2021</b>
	<b>Rs.000</b>	<b>Rs.000</b>
Float adjusted market capitalization - Compliant under Option 1	67,126,365	100,120,125
<b>Number of ordinary shares as at September 30,</b>	<b>2022</b>	<b>2021</b>
Voting	1,167,236,442	1,124,464,871
Non-Voting	72,541,605	69,740,771

- 1 The Financial Statements of the Bank and the Group have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRSs/LKASs) issued by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka). There were no changes to the Accounting Policies and methods of computation since the publication of the Annual Report for the year ended December 31, 2021, other than those disclosed below.
- 2 These Interim Financial Statements of the Bank and the Group have been prepared in compliance with the requirements of the Sri Lanka Accounting Standard - LKAS 34 on 'Interim Financial Reporting', and provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange.
- 3 **Impact due to the COVID-19**  
The outbreak of COVID-19 has caused disruption to business and economic activities, and uncertainty in the global and local economy. Subsequent to the outbreak of COVID-19 in Sri Lanka, the Bank has strictly adhered to the guidelines and directions issued by both the government and the Central Bank of Sri Lanka (CBSL) when conducting its business operations. Further, the Bank has provided relief for the affected businesses and individuals in line with the directions issued by the CBSL in addition to Bank's own relief schemes. These relief measures include deferment of repayment terms of credit facilities, offering concessionary rates of interest on eligible loan products (debt moratorium) and waiving off certain fees and charges. The Bank continuously monitors the impact of the pandemic and takes necessary action to manage its impact on the operations and performance of the Bank.
- 4 **Impairment of loans & advances and other financial assets**  
**Loans and advances**  
The Bank performed a comprehensive assessment of individually significant customers as at September 30, 2022 and based on the assessment, those customers with an increased credit risk were moved from Stage 1 to Stage 2. The Bank continued to review the key assumptions used in the impairment computation against individually significant customers classified under Stages 2 and 3 during the period under review. Key assumptions such as security realisation period, and factors used to determine the security valuation were continuously monitored in relation to customers who have been affected by the economic downturn and accordingly additional provisions were recognized.  
  
In addition, the macro-economic variables such as gross domestic product, inflation, interest rates, exchange rate and unemployment rate and other qualitative factors used for the calculation of impairment under the collective impairment model were updated with most recent macro-economic indicators. As a result, substantial provisions were made under the collective impairment as well. Further, the Bank continues to apply all other prudent assumptions used in 2021 during the period under review as well. The Bank also continued to recognize additional impairment provisions by way management overlays on account of moratorium loans and for facilities in the risk elevated industries during the period.  
  
**Other Financial Assets**  
The Bank increased the impairment provision on the foreign currency denominated government securities further considering the ongoing efforts for a consensual restructuring of the country's external debts through an economic adjustment program supported by the IMF.
- 5 **Reclassification of Government Securities**  
The Bank reclassified bulk of its Treasury Bond Portfolio amounting to Rs. 197.08 Bn., majority of Sri Lanka Development Bond (SLDB) portfolio amounting to Rs. 55.47 Bn., (USD 152.19 Mn) and entire Sri Lanka Sovereign Bond (SLSB) portfolio amounting to Rs. 39.60 Bn., (USD 108.63 Mn) from Fair Value Through Other Comprehensive Income (FVOCI) category to Amortized Cost category, with effect from April 01, 2022, in line with the guidelines issued by the CA Sri Lanka in the form of a Statement of Alternative Treatment (SoAT) on Reclassification of Debt Portfolio due to unprecedented changes in the macro-economic conditions. The fair value of the debt portfolio reclassified on April 1, 2022, and remaining as at September 30, 2022 amounted to Rs. 162.91 Bn., and the cumulative fair value loss thereon amounted to Rs. 97.69 Bn., (Net of tax Rs. 74.24 Bn).
- 6 **Basel III Minimum Capital Adequacy Ratios**  
As per the Banking Act Direction No. 04 of 2022, dated May 23, 2022, licensed banks were allowed to drawdown the Capital Conservation Buffer (CCB) up to 2.5% subject to the conditions stipulated in the Banking Act Direction No. 01 of 2016 on Capital Requirements under Basel III for licensed commercial banks and licensed specialised banks. The Bank expects to maintain the Minimum Earnings Retention Ratio at 60%, for which the CCB requirement as per the said Direction No. 04 of 2022 is between 1.250% and 1.875%. Accordingly, the minimum Total Capital Ratio required to be maintained by the Bank is between 12.750% and 13.375%. The Bank has in place a capital augmentation plan towards rebuilding the CCB to 2.5% within three years as required by the said Direction.  
However, The Bank's Tier I and total capital ratios as at September 30, 2022 stood at 11.571% and 14.355% respectively.
- 7 **Revision to Corporate Income Tax rate effective from October 01, 2022**  
As per the Gazette dated October 11, 2022 on the Inland Revenue Bill to amend the Inland Revenue Act No. 24 of 2017 (the Act), it has been proposed that the Corporate Income Tax rate will be increased to 30% from 24%, effective from October 01, 2022. However, the said revision was not considered in computing Deferred Tax, pending legal enactment and formal amendments to the Act as of the Reporting Date.
- 8 During the quarter, there were no material changes in the composition of assets, liabilities and/or contingent liabilities, other than those disclosed above.
- 9 All known expenses including management fees and similar expenses have been provided for in these Interim Financial Statements.
- 10 There were no material events that took place since September 30, 2022, that require disclosure in these Interim Financial Statements other than those disclosed above.

## INFORMATION ON DEBENTURES - BANK

21

Type of Issue	Public	Public	Public	Public	Public	Public
Debenture Type	Type "B"	Type "B"	Type "A"	Type "B"	Type "A"	Type "B"
CSE Listing	Listed	Listed	Listed	Listed	Listed	Listed
Issue Date	March 9, 2016	Oct 28, 2016	July 23, 2018	July 23, 2018	Sep 21, 2021	Sep 21, 2021
Maturity Date	March 8, 2026	Oct 27, 2026	July 22, 2023	July 22, 2028	Sep 20, 2026	Sep 20, 2028
Interest Payable Frequency (Fixed Interest Rate)	Bi-Annually	Bi-Annually	Bi-Annually	Bi-Annually	Bi-Annually	Bi-Annually
Offered Interest Rate	11.25% p.a.	12.25% p.a.	12.00% p.a.	12.50% p.a.	9.00% p.a.	9.50% p.a.
Amount (Rs.'000)	1,749,090	1,928,200	8,393,840	1,606,160	4,237,470	4,358,000

### Market Values

- Highest (Rs.)
- Lowest (Rs.)
- Period end (Rs.)

Not traded during the period	Not traded during the period	Not traded during the period	Not traded during the period	Not traded during the period	Not traded during the period
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### Interest Rates

- Coupon Rate (%)	11.25	12.25	12.00	12.50	9.00	9.50
- Effective Annual Yield (%)	11.57	12.63	12.36	12.89	9.20	9.73
- Interest Rate of comparable Government Security (%)	25.05	25.50	22.80	25.90	25.50	26.15

### Other Ratios as at date of last trade

- Interest Yield (%)	- N/A -	- N/A -	- N/A -	- N/A -	- N/A -	- N/A -
- Yield to Maturity (%)	- N/A -	- N/A -	- N/A -	- N/A -	- N/A -	- N/A -

## ANALYSIS OF LOANS AND ADVANCES TO OTHER CUSTOMERS AND IMPAIRMENT

22

As at	Group		Bank	
	30.09.2022	31.12.2021	30.09.2022	31.12.2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Gross loans and advances to other customers	1,242,505,103	1,094,930,882	1,218,152,031	1,078,685,128
Impairment on loans and advances to other customers				
Accumulated impairment under stage 1	16,190,333	10,181,101	16,050,156	10,027,938
Accumulated impairment under stage 2	28,856,257	19,165,658	28,461,684	18,973,409
Accumulated impairment under stage 3	38,353,706	36,000,048	37,518,656	35,065,201
Total impairment	83,400,296	65,346,807	82,030,496	64,066,548
Net value of loans and advances to other customers	1,159,104,807	1,029,584,075	1,136,121,535	1,014,618,580
Gross loans and advances to other customers				
By product - Domestic Currency				
Overdrafts	111,497,313	95,804,755	111,518,010	95,827,216
Trade finance	79,185,134	69,711,010	79,185,134	69,711,010
Lease rental receivable	36,064,017	37,416,375	34,113,026	35,647,114
Credit cards	16,682,074	16,188,134	16,682,074	16,188,134
Pawning	12,214,137	7,649,037	12,214,137	7,649,037
Staff loans	13,144,404	12,852,363	13,131,037	12,839,578
Housing loans	71,248,789	69,490,504	71,248,789	69,490,504
Personal loans	45,631,810	50,327,752	45,584,692	50,289,642
Term loans	473,284,658	464,685,792	467,675,603	458,163,633
Bills of Exchange	478,038	498,334	478,038	498,334
Sub total	859,430,374	824,624,056	851,830,540	816,304,202
By product - Foreign Currency				
Overdrafts	36,489,087	20,170,566	32,922,401	18,498,205
Trade finance	45,513,889	23,787,742	44,706,740	23,138,627
Lease rental receivable	2,410,612	1,486,793	2,410,612	1,486,793
Credit cards	467,055	208,995	334,751	189,352
Staff loans	449,619	244,822	438,960	236,755
Housing loans	7,508,592	5,174,448	7,508,592	5,174,448
Personal loans	1,647,910	1,030,317	965,455	624,241
Term loans	258,735,526	171,740,267	247,181,541	166,569,629
Bills of Exchange	29,852,439	46,462,876	29,852,439	46,462,876
Sub total	383,074,729	270,306,826	366,321,491	262,380,926
Gross loans and advances to other customers	1,242,505,103	1,094,930,882	1,218,152,031	1,078,685,128

	Group		Bank	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Movement of impairment during the period</b>				
<b>Under Stage 1</b>				
Balance as at January 1,	10,181,101	6,567,755	10,027,938	6,470,880
Charge/(write back) to the Income Statement	3,814,542	3,607,700	3,875,027	3,552,303
Net write-off during the period	-	(482)	-	(482)
Exchange rate variance on foreign currency provisions	2,194,690	6,128	2,147,191	5,237
<b>Balance as at September 30/December 31,</b>	<b>16,190,333</b>	<b>10,181,101</b>	<b>16,050,156</b>	<b>10,027,938</b>
<b>Under Stage 2</b>				
Balance as at January 1,	19,165,658	12,396,301	18,973,409	12,244,433
Charge/(write back) to the Income Statement	8,298,306	6,767,014	8,101,197	6,729,149
Net write-off during the period	-	(158)	-	(158)
Exchange rate variance on foreign currency provisions	1,392,293	2,501	1,387,078	(15)
<b>Balance as at September 30/December 31,</b>	<b>28,856,257</b>	<b>19,165,658</b>	<b>28,461,684</b>	<b>18,973,409</b>
<b>Under Stage 3</b>				
Balance as at January 1,	36,000,048	33,065,890	35,065,201	32,281,139
Charge/(write back) to the Income Statement	3,077,390	4,572,554	2,951,653	4,271,910
Net write-off during the period	(2,944,312)	(856,261)	(2,674,689)	(691,667)
Exchange rate variance on foreign currency provisions	3,071,534	95,686	3,036,431	93,581
Interest accrued on impaired loans and advances	(985,519)	(1,174,854)	(938,410)	(1,132,155)
Other movements	134,565	297,033	78,470	242,393
<b>Balance as at September 30/December 31,</b>	<b>38,353,706</b>	<b>36,000,048</b>	<b>37,518,656</b>	<b>35,065,201</b>
<b>Total Impairment</b>				
Balance as at January 1,	65,346,807	52,029,946	64,066,548	50,996,452
Charge/(write back) to the Income Statement	15,190,238	14,947,268	14,927,877	14,553,362
Net write-off during the period	(2,944,312)	(856,901)	(2,674,689)	(692,307)
Exchange rate variance on foreign currency provisions	6,658,517	104,315	6,570,700	98,803
Interest accrued on impaired loans and advances	(985,519)	(1,174,854)	(938,410)	(1,132,155)
Other movements	134,565	297,033	78,470	242,393
<b>Balance as at September 30/December 31,</b>	<b>83,400,296</b>	<b>65,346,807</b>	<b>82,030,496</b>	<b>64,066,548</b>

As at	Group		Bank	
	30.09.2022	31.12.2021	30.09.2022	31.12.2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Gross commitments and contingencies</b>	<b>600,709,801</b>	<b>685,379,028</b>	<b>596,546,623</b>	<b>682,399,783</b>
<b>Impairment on commitments and contingencies</b>				
Accumulated impairment under stage 1	2,830,238	2,090,696	2,816,710	2,082,029
Accumulated impairment under stage 2	1,916,391	814,948	1,916,391	814,948
Accumulated impairment under stage 3	2,368,151	2,459,923	2,368,151	2,459,923
<b>Total Impairment</b>	<b>7,114,780</b>	<b>5,365,567</b>	<b>7,101,252</b>	<b>5,356,900</b>
<b>Gross commitments and contingencies</b>				
<b>By product - Domestic currency</b>				
<b>Contingencies</b>	<b>55,632,445</b>	<b>71,232,733</b>	<b>55,632,445</b>	<b>71,232,733</b>
Guarantees	38,054,675	50,193,979	38,054,675	50,193,979
Bonds	15,954,661	18,311,490	15,954,661	18,311,490
Documentary Credits	750,835	1,458,013	750,835	1,458,013
Acceptances	200,636	740,479	200,636	740,479
Bills for collection	671,638	528,772	671,638	528,772
<b>Commitments</b>	<b>102,027,951</b>	<b>125,588,182</b>	<b>102,027,951</b>	<b>125,588,182</b>
Undrawn commitments	99,781,147	123,341,378	99,781,147	123,341,378
Capital commitments	2,246,804	2,246,804	2,246,804	2,246,804
<b>Sub Total</b>	<b>157,660,396</b>	<b>196,820,915</b>	<b>157,660,396</b>	<b>196,820,915</b>
<b>By product - Foreign Currency</b>				
<b>Contingencies</b>	<b>407,373,813</b>	<b>466,418,225</b>	<b>406,178,740</b>	<b>465,519,936</b>
Guarantees	29,438,311	24,646,329	29,834,613	24,905,847
Bonds	65,599,398	17,835,718	64,515,142	17,815,810
Documentary Credits	63,074,233	83,077,720	62,966,598	82,097,642
Forward exchange and Currency Swaps	134,521,930	217,305,838	134,521,931	217,305,838
Acceptances	37,029,925	73,222,869	37,029,925	73,219,061
Bills for collection	75,084,027	48,644,120	74,684,542	48,490,107
Bullion on consignment	24,889	14,882	24,889	14,882
Other Contingencies	2,601,100	1,670,749	2,601,100	1,670,749
<b>Commitments</b>	<b>35,675,592</b>	<b>22,139,888</b>	<b>32,707,487</b>	<b>20,058,932</b>
Undrawn commitments	35,657,149	22,129,783	32,707,487	20,058,932
Capital commitments	18,443	10,105	-	-
<b>Sub Total</b>	<b>443,049,405</b>	<b>488,558,113</b>	<b>438,886,227</b>	<b>485,578,868</b>
<b>Total</b>	<b>600,709,801</b>	<b>685,379,028</b>	<b>596,546,623</b>	<b>682,399,783</b>

	Group		Bank	
	2022	2021	2022	2021
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Movement of impairment during the period</b>				
<b>Under Stage 1</b>				
Balance as at January 1,	2,090,696	1,536,100	2,082,029	1,532,691
Charge/(write back) to the Income Statement	549,037	551,897	551,036	546,862
Exchange rate variance on foreign currency provisions	190,505	2,699	183,645	2,476
<b>Balance as at September 30/December 31,</b>	<b>2,830,238</b>	<b>2,090,696</b>	<b>2,816,710</b>	<b>2,082,029</b>
<b>Under Stage 2</b>				
Balance as at January 1,	814,948	244,482	814,948	244,482
Charge/(write back) to the Income Statement	999,229	570,466	999,229	570,466
Exchange rate variance on foreign currency provisions	102,214	-	102,214	-
<b>Balance as at September 30/December 31,</b>	<b>1,916,391</b>	<b>814,948</b>	<b>1,916,391</b>	<b>814,948</b>
<b>Under Stage 3</b>				
Balance as at January 1,	2,459,923	339,676	2,459,923	339,676
Charge/(write back) to the Income Statement	(136,506)	2,120,247	(136,506)	2,120,247
Exchange rate variance on foreign currency provisions	44,734	-	44,734	-
<b>Balance as at September 30/December 31,</b>	<b>2,368,151</b>	<b>2,459,923</b>	<b>2,368,151</b>	<b>2,459,923</b>
<b>Total Impairment</b>				
Balance as at January 1,	5,365,567	2,120,258	5,356,900	2,116,849
Charge/(write back) to the Income Statement	1,411,760	3,242,610	1,413,759	3,237,575
Exchange rate variance on foreign currency provisions	337,453	2,699	330,593	2,476
<b>Balance as at September 30/December 31,</b>	<b>7,114,780</b>	<b>5,365,567</b>	<b>7,101,252</b>	<b>5,356,900</b>

## ANALYSIS OF DEPOSITS

	Group		Bank	
	30.09.2022	31.12.2021	30.09.2022	31.12.2021
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>As at</b>				
<b>By product - Domestic Currency</b>				
Current account deposits	85,984,385	84,663,624	85,984,672	84,663,528
Savings deposits	383,567,926	430,411,206	383,812,803	430,571,564
Time deposits	721,749,085	548,717,236	717,396,843	544,587,562
Certificates of deposit	22,902	24,902	22,902	24,902
<b>Sub Total</b>	<b>1,191,324,298</b>	<b>1,063,816,968</b>	<b>1,187,217,220</b>	<b>1,059,847,556</b>
<b>By product - Foreign Currency</b>				
Current account deposits	115,424,649	66,784,343	90,087,877	56,116,885
Savings deposits	172,497,441	124,954,064	159,680,551	118,933,106
Time deposits	374,222,663	217,085,081	355,816,376	208,195,906
<b>Sub Total</b>	<b>662,144,753</b>	<b>408,823,488</b>	<b>605,584,804</b>	<b>383,245,897</b>
<b>Total</b>	<b>1,853,469,051</b>	<b>1,472,640,456</b>	<b>1,792,802,024</b>	<b>1,443,093,453</b>

**GENERAL****NAME OF COMPANY**

Commercial Bank of Ceylon PLC

**COMPANY REGISTRATION NUMBER**

PQ116

**LEGAL FORM**

A public limited liability company incorporated in Sri Lanka on June 25, 1969 under the Companies Ordinance No. 51 of 1938 and quoted in the Colombo Stock Exchange in March 1970. The Company was re-registered under the Companies Act No.7 of 2007. A licensed Commercial Bank under the Banking Act No.30 of 1988.

**ACCOUNTING YEAR END**

December 31

**TAX PAYER IDENTIFICATION NUMBER (TIN)**

124006007

**REGISTERED OFFICE**

"Commercial House",  
No. 21, Sir Razik Fareed Mawatha,  
P.O. Box 856,  
Colombo 1, Sri Lanka.  
Telephone : 011-2430420, 011-2336700  
011-2445010-15, 011-2486000, 011-4792000  
Telex :21520 COMEX CE  
Facsimile : 011-2449889  
SWIFT Code-Sri Lanka : CCEYLK LX  
SWIFT Code-Bangladesh : CCEYBD DH  
E-mail : email@combank.net  
Website : www.combank.lk

**HEAD OFFICE**

"Commercial House",  
No. 21, Sir Razik Fareed Mawatha,  
P.O. Box 856,  
Colombo 1, Sri Lanka.

**STOCK EXCHANGE LISTING**

The Ordinary Shares and the Unsecured Subordinated Redeemable Debentures of the Bank are listed on the Colombo Stock Exchange.

**COMPLIANCE OFFICER**

Ms. A. V. P. K. T. Amarasinghe  
Assistant General Manager - Compliance

**CREDIT RATINGS****Sri Lanka Operation**

AA-(lka) (rating watch negative) by Fitch Ratings Lanka Ltd.

**Bangladesh Operation**

AAA was re-affirmed by Credit Rating Information & Services Limited in June 2022.

**PROFESSIONAL EXPERTISE****LAWYERS**

Julius & Creasy,  
No. 371, R. A. de Mel Mawatha,  
Colombo 3, Sri Lanka.

**AUDITORS**

Ernst & Young  
Chartered Accountants,  
No. 201, De Saram Place,  
Colombo 10, Sri Lanka.

**REGISTRARS**

S S P Corporate Services (Private) Limited,  
No. 101, Inner Flower Road,  
Colombo 3, Sri Lanka.  
Telephone: 011-2573894, 011-2576871  
Facsimile: 011-2573609  
E-mail: sspssec@sltnet.lk

**SUBSIDIARIES AND ASSOCIATE****LOCAL SUBSIDIARIES**

Commercial Development Company PLC  
CBC Tech Solutions Limited  
CBC Finance Limited  
Commercial Insurance Brokers (Pvt) Ltd.

**FOREIGN SUBSIDIARIES**

Commex Sri Lanka S.R.L - Italy  
Commercial Bank of Maldives Private Limited  
CBC Myanmar Microfinance Company Limited

**ASSOCIATE**

Equity Investments Lanka Ltd.

**BOARD OF DIRECTORS & COMPANY SECRETARY****BOARD OF DIRECTORS**

Prof. A. K. W. Jayawardane - Chairman  
Mr. Sharhan Muhseen- Deputy Chairman  
Mr. S. C. U. Manatunge - Managing Director/Chief Executive Officer  
Mr. S. Prabagar - Chief Operating Officer  
Mr. K. Dharmasiri  
Mr. L. D. Niyangoda  
Ms. N. T. M. S. Cooray  
Ms. Judy Lee  
Mr. Raja Senanayake  
Ms. D. L. T. S. Wijewardena  
Dr. S. Selliah

**COMPANY SECRETARY**

Mr. R. A. P. Rajapaksha