

INTERIM FINANCIAL STATEMENTS

For the year ended December 31, 2024



Financial Review for the year ended December 31, 2024

ComBank posts stellar results in 2024 after absorbing a SLISB restructure loss of Rs 45 bn.

- Net reversal of Rs 62 Bn. in impairment provisions compensates for loss from sovereign bonds restructuring
- Further accelerates lending with loan book growth of Rs 230 Bn., with approximately half of growth coming in Q4
- Net interest income up 36.71% to Rs 118 Bn.
- Total taxes triple to Rs 62 Bn.
- PBT of Rs 98 Bn. and PAT of Rs 56 Bn.

The Commercial Bank of Ceylon Group, comprising of Sri Lanka's largest private sector bank, its subsidiaries and an associate, has reported an exceptionally strong financial performance in 2024. Prudent provisioning for impairment charges and other losses, effective balance sheet management and strong lending growth helped mitigate a substantial loss materialised from the restructuring of the Sri Lanka International Sovereign Bonds (SLISBs) held by the Bank.

The Group recognised its full net loss of Rs 45.11 Bn., from the restructuring of SLISBs in the final quarter of the year, resulting in gross income for the 12 months ending 31st December 2024 reducing by 19.50% to Rs 274.98 Bn. However, a net impairment reversal of Rs 62.30 Bn., primarily due to provision reversals in respect of SLISBs, significantly cushioned the overall impact. Lower interest rates brought interest income down by 7.54% to Rs 275.22 Bn., further impacting the Group's topline.

Timely repricing of deposits and the strong CASA base of the Bank, resulted in total interest expenses reducing by 25.63% to Rs 157.08 Bn., enabling the Group to record a healthy growth of 36.71% in net interest income to Rs 118.13 Bn., compared to Rs 86.41 Bn. in 2023. In the meantime, net fee and commission income grew by 5.62% to Rs 23.65 Bn.

Notably, a decrease in net other operating income of Rs 12.19 Bn., or 58.93%, was largely offset by a reduction in losses from trading of Rs 10.28 Bn. or 82.37%.

Consequently, the Group's net operating income surged by 103.61% to Rs 169.35 Bn. for the year under review, with Q4 alone contributing Rs 73.65 Bn., an increase of 227.25%. With operating expenses for the full year growing by a moderate rate of 17.04% to Rs 51.84 Bn., the Group reported an operating profit before taxes on financial services of Rs 117.52 Bn., an increase of 202.21% over the previous year.

Taxes on financial services increased by 297.20% to Rs 19.71 Bn., resulting in profit before income tax of Rs 97.81 Bn., for the 12 months, an improvement of 188.29% over the previous year. The income tax charge for the year increased by 250.22% to Rs 42.12 Bn., leading to a net profit after tax of Rs 55.69 Bn. for 2024, reflecting a growth of 154.28%.

Total tax charges of the Group for the year amounted to Rs 61.83 Bn., well over triple the Rs 16.99 Bn. tax charge in respect of the preceding year.

Taken separately, Commercial Bank of Ceylon PLC reported a profit before tax of Rs 95.53 Bn., and a profit after tax of Rs 54.07 Bn. for the year reviewed, recording growths of 199.67% and 164.28%, respectively. Basic earnings per share rose to Rs 37.74, up from Rs 14.89 for 2023.

It is pertinent to mention that that the Bank had in 2023 proactively increased its provision cover for possible losses from Sri Lanka International Sovereign Bonds from 35% to 52%, and further increased the cover to 54% in the second quarter of 2024, resulting in a cumulative impairment provision of Rs 92.86 Bn. on SLISBs up to the date of derecognition of these bonds. These measures helped the Bank mitigate the net losses sustained on the restructuring of these bonds.

Lending reached an all-time high in the final quarter of the year reviewed, during which the loan book grew by a noteworthy Rs 108.69 Bn. at a monthly average of Rs 36.23 Bn. This drove the gross loans and advances to Rs 1.53 Tn., an improvement of 17.73%. Deposit growth also accelerated, increasing by Rs 79.56 Bn. in Q4 alone at a monthly average of Rs 26.52 Bn., bringing the total deposits to Rs 2.31 Tn., with a YOY increase of 7.36%. As a result, total assets of the Group increased by Rs 220.39 Bn. over the 12 months to Rs 2.876 Tn. as at 31st December 2024, reflecting a healthy growth of 8.30%.

The CASA ratio of the Bank stood at 38.07% as at 31st December 2024, a marginal drop compared to 39.23% at end December 2023, but remains one of the best in the industry.

The Bank's cost to income ratio excluding taxes on financial services stood at 48.88%, while the figure inclusive of taxes on financial services was 68.18% for 2024. Notably, these ratios improved to 33.85% and 41.89% respectively when the effect of the net loss on restructuring of SLISBs is discounted.

In terms of asset quality, the Bank's impaired loans (Stage 3) ratio improved to 2.76% compared to 5.85% at end 2023, while its impairment (Stage 3) to Stage 3 loans ratio reached 64.61% from 43.22% a year ago, consequent to a decision to improve provision cover on a prudent basis.

Meanwhile, the Bank's liquidity coverage ratio for the year reviewed stood at 529.20% for Rupees and 454.36% for all currencies, both more than four times the statutory minimum ratios of 100%. The Bank's net stable funding ratio stood at 187.29% as at 31st December 2024, nearly double the minimum statutory requirement of 100%.

The Bank reported its Tier 1 and Total Capital Ratios at 14.227% and 18.142% respectively as at 31st December 2024, both comfortably above the regulatory minimum ratios of 10% and 14% respectively. The Bank's net interest margin increased to 4.27% for the year under review compared to 3.32% reported for 2023. The Bank's return on assets (before tax) improved to 3.56% from 1.27% for 2023 while the return on equity too improved to 22.06% for the year, from 9.78% for 2023.

Commercial Bank is the first Sri Lankan bank to be listed among the Top 1000 Banks of the World and has the highest market capitalisation in the Banking Sector in the Colombo Stock Exchange (CSE). The Bank is the largest private sector lender, the largest lender to the SME sector, is a leader in digital innovation and is Sri Lanka's first 100% carbon-neutral bank. Commercial Bank operates a strategically located network of branches and automated machines island-wide, and has the widest international footprint among Sri Lankan banks, with 20 outlets in Bangladesh, a fully-fledged Tier I Bank with a majority stake in the Maldives, and a Microfinance company in Myanmar. The Bank's fully-owned subsidiary CBC Finance Ltd., also delivers a range of financial services via its own branch network.

INCOME STATEMENT - GROUP

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	For the year ended			For the quarter ended		
	31.12.2024	31.12.2023	Change	31.12.2024	31.12.2023	Change
	(Audited) Rs.'000	(Audited) Rs.'000	%	Rs.'000	Rs.'000	%
Gross income	274,975,814	341,566,200	(19.50)	33,268,195	85,603,336	(61.14)
Interest income	275,217,117	297,645,866	(7.54)	68,099,447	73,075,852	(6.81)
Less: Interest expense	157,082,433	211,230,507	(25.63)	38,943,604	47,542,255	(18.09)
Net interest income	118,134,684	86,415,359	36.71	29,155,843	25,533,597	14.19
Fee and commission income	34,480,523	30,653,212	12.49	9,623,875	8,618,732	11.66
Less: Fee and commission expense	10,834,345	8,265,893	31.07	2,984,132	2,441,326	22.23
Net fee and commission income	23,646,178	22,387,319	5.62	6,639,743	6,177,406	7.48
Net gains/(losses) from trading	(2,201,010)	(12,481,613)	82.37	1,515,924	(331,931)	556.70
Net gains/(losses) from derecognition of financial assets	(41,016,836)	5,060,242	(910.57)	(44,682,427)	2,421,972	(1,944.88)
Financial assets measured at fair value through other comprehensive income	4,090,697	5,060,242	(19.16)	425,106	2,421,972	(82.45)
Derecognition loss on restructuring of SLISBs	(45,107,533)	-	(100.00)	(45,107,533)	-	(100.00)
Net other operating income	8,496,020	20,688,493	(58.93)	(1,288,624)	1,818,711	(170.85)
Other operating income	(34,721,826)	13,267,122	(361.71)	(44,455,127)	3,908,752	(1,237.32)
Total operating income	107,059,036	122,069,800	(12.30)	(8,659,541)	35,619,755	(124.31)
Less : Impairment charges / (reversal) and other losses	(62,294,814)	38,895,070	(260.16)	(82,313,885)	13,112,960	(727.73)
Net operating income	169,353,850	83,174,730	103.61	73,654,344	22,506,795	227.25
Less: Expenses	51,838,358	44,289,832	17.04	15,345,716	12,313,586	24.62
Personnel expenses	27,907,458	22,810,045	22.35	8,002,460	6,000,762	33.36
Depreciation and amortisation	4,737,203	4,335,640	9.26	1,264,793	1,256,121	0.69
Other operating expenses	19,193,697	17,144,147	11.95	6,078,463	5,056,703	20.21
Operating profit before taxes on financial services	117,515,492	38,884,898	202.21	58,308,628	10,193,209	472.03
Less: Taxes on financial services	19,706,675	4,961,392	297.20	10,840,180	1,296,765	735.94
Operating profit after taxes on financial services	97,808,817	33,923,506	188.32	47,468,448	8,896,444	433.57
Share of profit/(loss) of associate, net of tax	(460)	3,495	(113.16)	282	(403)	169.98
Profit before tax	97,808,357	33,927,001	188.29	47,468,730	8,896,041	433.59
Less: Income tax expense	42,121,945	12,027,341	250.22	23,319,485	1,759,986	1,224.98
Profit for the period	55,686,412	21,899,660	154.28	24,149,245	7,136,055	238.41
Profit attributable to:						
Equity holders of the Bank	55,073,240	21,114,675	160.83	24,001,396	6,914,747	247.10
Non-controlling interest	613,172	784,985	(21.89)	147,849	221,308	(33.19)
Profit for the period	55,686,412	21,899,660	154.28	24,149,245	7,136,055	238.41
Earnings per share (EPS)						
Basic earnings per ordinary share (Rs.)	38.44	15.37	150.10	16.75	5.03	233.00
Diluted earnings per ordinary share (Rs.)	38.38	15.36	149.87	16.73	5.03	232.60

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - GROUP

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	For the year ended			For the quarter ended		
	31.12.2024	31.12.2023	Change	31.12.2024	31.12.2023	Change
	(Audited) Rs.'000	(Audited) Rs.'000	%	Rs.'000	Rs.'000	%
Profit for the period	55,686,412	21,899,660	154.28	24,149,245	7,136,055	238.41
Other comprehensive income, net of tax						
Items that will never be reclassified to profit or loss						
Net actuarial gains/(losses) on defined benefit plans	(421,295)	(251,090)	(67.79)	(421,295)	(251,090)	(67.79)
Gains/(losses) on remeasurement of defined benefit liability/asset	(552,425)	(304,616)	(81.35)	(552,425)	(304,616)	(81.35)
Less : Deferred tax charge/(reversal) on actuarial gains/(losses)	(131,130)	(53,526)	(144.98)	(131,130)	(53,526)	(144.98)
Net change in revaluation surplus	-	1,341,641	(100.00)	-	1,341,641	(100.00)
Changes in revaluation surplus/(deficit)	-	1,871,175	(100.00)	-	1,871,175	(100.00)
Less : Deferred tax charge/(reversal) on revaluation surplus	-	529,534	(100.00)	-	529,534	(100.00)
Net change in fair value of investments in equity	1,012,450	(13,481)	7,610.20	943,034	(29,215)	3,327.91
Change in fair value of investments in equity at fair value through other comprehensive income	1,012,450	(13,481)	7,610.20	943,034	(29,215)	3,327.91
Share of other comprehensive income/(expense) of associate, net of tax	247	207	19.32	203	(69)	394.20
Items that are or may be reclassified to profit or loss						
Net gains/(losses) arising from translating the Financial Statements of foreign operations	(11,971,874)	(12,116,058)	1.19	(851,803)	282,902	(401.09)
Net gains/(losses) on investment in financial assets at fair value through other comprehensive income	24,575	1,905,017	(98.71)	915,468	(1,608,380)	156.92
Fair value gains/(losses) that arose during the period, net of tax	2,888,034	5,447,186	(46.98)	1,213,042	87,000	1,294.30
Fair value (gains)/losses realised to the Income Statement on disposal, net of tax	(2,863,459)	(3,542,169)	19.16	(297,574)	(1,695,380)	82.45
Cash flow hedges - effective portion of changes in fair value, net of tax	-	(36,554)	100.00	-	-	-
Other comprehensive income/(expense) for the period, net of tax	(11,355,897)	(9,170,318)	(23.83)	585,607	(264,211)	321.64
Total comprehensive income/(expense) for the period	44,330,515	12,729,342	248.25	24,734,852	6,871,844	259.94
Attributable to:						
Equity holders of the Bank	44,123,957	12,341,301	257.53	24,659,743	6,604,839	273.36
Non-controlling interest	206,558	388,041	(46.77)	75,109	267,005	(71.87)
Total comprehensive income/(expense) for the period	44,330,515	12,729,342	248.25	24,734,852	6,871,844	259.94

INCOME STATEMENT - BANK

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	For the year ended			For the quarter ended		
	31.12.2024	31.12.2023	Change	31.12.2024	31.12.2023	Change
	(Audited) Rs.'000	(Audited) Rs.'000	%	Rs.'000	Rs.'000	%
Gross income	267,331,580	335,770,196	(20.38)	30,779,979	84,076,303	(63.39)
Interest income	269,596,222	292,618,360	(7.87)	66,536,544	71,722,420	(7.23)
Less: Interest expense	155,037,883	209,514,795	(26.00)	38,329,102	47,091,705	(18.61)
Net interest income	114,558,339	83,103,565	37.85	28,207,442	24,630,715	14.52
Fee and commission income	33,246,118	29,704,104	11.92	9,072,446	8,255,411	9.90
Less: Fee and commission expense	10,716,909	8,145,910	31.56	2,977,515	2,394,817	24.33
Net fee and commission income	22,529,209	21,558,194	4.50	6,094,931	5,860,594	4.00
Net gains/(losses) from trading	(2,201,010)	(12,481,613)	82.37	1,515,924	(331,931)	556.70
Net gains/(losses) from derecognition of financial assets	(41,016,836)	5,060,242	(910.57)	(44,682,427)	2,421,972	(1,944.88)
Financial assets measured at fair value through other comprehensive income	4,090,697	5,060,242	(19.16)	425,106	2,421,972	(82.45)
Derecognition loss on restructuring of SLISBs	(45,107,533)	-	(100.00)	(45,107,533)	-	(100.00)
Net other operating income	7,707,086	20,869,103	(63.07)	(1,662,508)	2,008,431	(182.78)
Other operating income	(35,510,760)	13,447,732	(364.07)	(44,829,011)	4,098,472	(1,193.80)
Total operating income	101,576,788	118,109,491	(14.00)	(10,526,638)	34,589,781	(130.43)
Less: Impairment charges / (reversal) and other losses	(63,215,069)	38,623,739	(263.67)	(82,471,294)	12,704,357	(749.16)
Net operating income	164,791,857	79,485,752	107.32	71,944,656	21,885,424	228.73
Less: Expenses	49,653,373	42,644,200	16.44	14,350,371	11,576,147	23.97
Personnel expenses	26,913,870	21,956,866	22.58	7,728,772	5,752,251	34.36
Depreciation and amortisation	4,669,731	4,283,566	9.02	1,245,914	1,197,919	4.01
Other operating expenses	18,069,772	16,403,768	10.16	5,375,685	4,625,977	16.21
Operating profit before taxes on financial services	115,138,484	36,841,552	212.52	57,594,285	10,309,277	458.66
Less: Taxes on financial services	19,603,873	4,961,392	295.13	10,788,163	1,338,495	705.99
Operating profit after taxes on financial services	95,534,611	31,880,160	199.67	46,806,122	8,970,782	421.76
Less : Income tax expense	41,461,107	11,419,198	263.08	23,108,530	1,813,097	1,174.53
Profit for the period	54,073,504	20,460,962	164.28	23,697,592	7,157,685	231.08
Profit attributable to:						
Equity holders of the Bank	54,073,504	20,460,962	164.28	23,697,592	7,157,685	231.08
Non-controlling interest	-	-	-	-	-	-
Profit for the period	54,073,504	20,460,962	164.28	23,697,592	7,157,685	231.08
Earnings per share (EPS)						
Basic earnings per ordinary share (Rs.)	37.74	14.89	153.46	16.54	5.21	217.47
Diluted earnings per ordinary share (Rs.)	37.69	14.88	153.29	16.52	5.21	217.08

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - BANK

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	For the year ended			For the quarter ended		
	31.12.2024	31.12.2023	Change	31.12.2024	31.12.2023	Change
	(Audited) Rs.'000	(Audited) Rs.'000	%	Rs.'000	Rs.'000	%
Profit for the period	54,073,504	20,460,962	164.28	23,697,592	7,157,685	231.08
Other comprehensive income, net of tax						
Items that will never be reclassified to profit or loss						
Net actuarial gains/(losses) on defined benefit plans	(419,134)	(239,530)	(74.98)	(419,134)	(239,530)	(74.98)
Gains/(losses) on remeasurement of defined benefit liability/asset	(549,338)	(288,101)	(90.68)	(549,338)	(288,101)	(90.68)
Less : Deferred tax charge/(reversal) on actuarial gains/(losses)	(130,204)	(48,571)	(168.07)	(130,204)	(48,571)	(168.07)
Net change in revaluation surplus	-	1,012,171	(100.00)	-	1,012,171	(100.00)
Changes in revaluation surplus/(deficit)	-	1,445,959	(100.00)	-	1,445,959	(100.00)
Less : Deferred tax charge/(reversal) on revaluation surplus	-	433,788	(100.00)	-	433,788	(100.00)
Net change in fair value of investments in equity	1,010,216	(13,481)	7,593.63	940,800	(29,215)	3,320.26
Change in fair value of investments in equity at fair value through other comprehensive income	1,010,216	(13,481)	7,593.63	940,800	(29,215)	3,320.26
Items that are or may be reclassified to profit or loss						
Net gains/(losses) arising from translating the Financial Statements of foreign operations	(10,890,433)	(11,086,172)	1.77	(718,303)	280,159	(356.39)
Net gains/(losses) on investment in financial assets at fair value through other comprehensive income	22,137	1,898,733	(98.83)	910,996	(1,607,642)	156.67
Fair value gains/(losses) that arose during the period, net of tax	2,885,596	5,440,902	(46.96)	1,208,570	87,738	1,277.48
Fair value (gains)/losses realised to the Income Statement on disposal, net of tax	(2,863,459)	(3,542,169)	19.16	(297,574)	(1,695,380)	82.45
Cash flow hedges - effective portion of changes in fair value, net of tax	-	(36,554)	100.00	-	-	-
Other comprehensive income/(expense) for the period, net of tax	(10,277,214)	(8,464,833)	(21.41)	714,359	(584,057)	222.31
Total comprehensive income/(expense) for the period	43,796,290	11,996,129	265.09	24,411,951	6,573,628	271.36

STATEMENT OF FINANCIAL POSITION

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As at	Group			Bank		
	31.12.2024	31.12.2023	Change	31.12.2024	31.12.2023	Change
	(Audited)	(Audited)		(Audited)	(Audited)	
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%
ASSETS						
Cash and cash equivalents	89,615,459	159,701,507	(43.89)	86,848,291	157,819,287	(44.97)
Balances with Central Banks	55,989,574	62,633,503	(10.61)	45,702,086	52,817,502	(13.47)
Placements with banks	101,104,941	81,506,653	24.05	99,300,303	81,344,696	22.07
Securities purchased under resale agreements	28,655,962	31,148,729	(8.00)	28,655,962	31,148,729	(8.00)
Derivative financial assets	4,264,271	7,226,484	(40.99)	4,264,271	7,226,484	(40.99)
Financial assets recognised through profit or loss - measured at fair value	91,677,346	29,449,653	211.30	91,677,346	29,449,653	211.30
Financial assets at amortised cost - Loans and advances to other customers	1,421,004,171	1,204,865,597	17.94	1,384,524,660	1,176,359,971	17.70
Financial assets at amortised cost - Debt and other financial instruments	701,751,287	685,155,537	2.42	667,709,691	649,740,408	2.77
Financial assets measured at fair value through other comprehensive income	303,218,395	287,732,972	5.38	301,584,142	287,023,009	5.07
Investments in subsidiaries	-	-	-	5,808,429	5,808,429	-
Investment in associate	58,791	59,004	(0.36)	44,331	44,331	-
Property, plant and equipment and right-of-use assets	30,670,410	28,997,246	5.77	27,600,648	26,257,902	5.11
Investment properties	743,900	597,825	24.43	-	-	-
Intangible assets	4,757,905	4,289,404	10.92	4,221,131	3,736,504	12.97
Deferred tax assets	12,563,217	34,511,410	(63.60)	12,085,844	34,076,526	(64.53)
Other assets	29,917,238	37,736,151	(20.72)	29,753,153	37,474,448	(20.60)
Total Assets	2,875,992,867	2,655,611,675	8.30	2,789,780,288	2,580,327,879	8.12
LIABILITIES						
Due to banks	25,376,564	47,948,578	(47.08)	21,306,752	47,274,361	(54.93)
Derivative financial liabilities	837,497	2,319,209	(63.89)	837,497	2,319,209	(63.89)
Securities sold under repurchase agreements	112,461,472	111,186,824	1.15	112,470,392	111,198,516	1.14
Financial liabilities at amortised cost - due to depositors	2,306,079,421	2,147,906,858	7.36	2,236,566,800	2,085,046,149	7.27
Financial liabilities at amortised cost - other borrowings	14,273,156	12,756,021	11.89	14,273,156	12,756,021	11.89
Current tax liabilities	13,502,666	15,256,244	(11.49)	13,145,697	14,951,984	(12.08)
Deferred tax liabilities	511,000	514,207	(0.62)	-	-	-
Other liabilities	59,423,992	56,266,302	5.61	58,064,777	55,050,477	5.48
Due to subsidiaries	-	-	-	145,794	317,221	(54.04)
Subordinated liabilities	57,707,677	36,482,939	58.18	57,707,677	36,482,939	58.18
Total Liabilities	2,590,173,445	2,430,637,182	6.56	2,514,518,542	2,365,396,877	6.30

STATEMENT OF FINANCIAL POSITION (Contd...)

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As at	Group			Bank		
	31.12.2024	31.12.2023	Change	31.12.2024	31.12.2023	Change
	(Audited) Rs.'000	(Audited) Rs.'000	%	(Audited) Rs.'000	(Audited) Rs.'000	%
EQUITY						
Stated capital	88,017,094	62,948,003	39.83	88,017,094	62,948,003	39.83
Statutory reserves	16,469,686	13,586,534	21.22	15,079,581	12,375,906	21.85
Retained earnings	17,533,670	9,943,003	76.34	15,330,940	8,558,385	79.13
Other reserves	159,108,992	133,993,167	18.74	156,834,131	131,048,708	19.68
Total equity attributable to equity holders of the Bank	281,129,442	220,470,707	27.51	275,261,746	214,931,002	28.07
Non-Controlling Interest	4,689,980	4,503,786	4.13	-	-	-
Total Equity	285,819,422	224,974,493	27.05	275,261,746	214,931,002	28.07
Total Liabilities and Equity	2,875,992,867	2,655,611,675	8.30	2,789,780,288	2,580,327,879	8.12
Contingent Liabilities and Commitments	750,876,960	675,776,516	11.11	743,964,900	668,875,778	11.23
Net Assets Value per Ordinary Share (Rs.)	174.58	167.77	4.06	170.94	163.55	4.52

Memorandum Information

Number of Employees

5,461

5,201

Number of Customer Service Centers

292

291

CERTIFICATION :

I certify that the above financial statements are prepared in compliance with the requirements of the Companies Act No. 7 of 2007 and give a true and fair view of the state of affairs of the Commercial Bank of Ceylon PLC and the Group as at December 31, 2024 and its financial performance/profit for the year ended December 31, 2024.

(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 has been extracted from the unaudited Financial Statements of the Group and the Bank, unless indicated as audited.

(Sgd.) Sharhan Muhseen

Chairman

February 28, 2025

Colombo

(Sgd.) S. C. U. Manatunge

Managing Director/Chief Executive Officer

	Stated capital	Statutory reserve fund	Retained earnings	Other reserves						Shareholders' funds	Non-controlling interest	Total equity	
	Rs.'000	Rs.'000	Rs.'000	Revaluation reserve	Fair value reserve	Foreign currency translation reserve	Hedging reserve	Employee share option reserve	Special reserve				General reserve
				Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000				Rs.'000
Balance as at December 31, 2022 - Audited	58,149,621	12,079,670	6,790,304	10,214,244	72,270	21,371,971	36,554	150,529	-	100,000,003	208,865,166	4,107,408	212,972,574
Total comprehensive income for the year 2023													
Profit for the year	-	-	21,114,675	-	-	-	-	-	-	-	21,114,675	784,985	21,899,660
Other comprehensive income, net of tax	-	-	(241,899)	1,287,844	1,891,743	(11,674,508)	(36,554)	-	-	-	(8,773,374)	(396,944)	(9,170,318)
Net actuarial gains/(losses) on defined benefit plans	-	-	(251,035)	-	-	-	-	-	-	-	(251,035)	(55)	(251,090)
Share of other comprehensive income/(expense) of associate, net of tax	-	-	-	-	207	-	-	-	-	-	207	-	207
Net change in revaluation surplus	-	-	-	1,296,980	-	-	-	-	-	-	1,296,980	44,661	1,341,641
Revaluation surplus transferred to retained earnings upon the disposal of freehold land	-	-	9,136	(9,136)	-	-	-	-	-	-	-	-	-
Net fair value gains/(losses) on remeasuring financial assets measured at fair value through other comprehensive income	-	-	-	-	1,891,536	-	-	-	-	-	1,891,536	-	1,891,536
Net gains/(losses) arising from translating the Financial Statements of the foreign operations	-	-	-	-	-	(11,674,508)	-	-	-	-	(11,674,508)	(441,550)	(12,116,058)
Cash flow hedges - effective portion of changes in fair value, net of tax	-	-	-	-	-	-	(36,554)	-	-	-	(36,554)	-	(36,554)
Total comprehensive income for the year 2023	-	-	20,872,776	1,287,844	1,891,743	(11,674,508)	(36,554)	-	-	-	12,341,301	388,041	12,729,342
Transactions with owners recognised directly in equity, contributions by and distributions to owners													
Issue of Ordinary voting shares under Employee Share Option Plans	51,740	-	-	-	-	-	-	-	-	-	51,740	-	51,740
Transfer o/a Share-based Payment transactions	4,491	-	-	-	-	-	-	(4,491)	-	-	-	-	-
Transfer of cost o/a of expired ESOP Shares (net of tax)	-	-	47,510	-	-	-	-	(67,871)	-	-	(20,361)	-	(20,361)
Dividends to equity holders	4,742,151	-	(5,558,473)	-	-	-	-	-	-	-	(816,322)	(14,367)	(830,689)
First & Final dividend for 2022 satisfied in the form of cash	-	-	-	-	-	-	-	-	-	-	-	(10,800)	(10,800)
First & Final dividend for 2022 satisfied in the form of issue and allotment of new shares	4,742,151	-	(5,579,001)	-	-	-	-	-	-	-	(836,850)	-	(836,850)
Unclaimed dividend absorbed/(dividend paid) in respect of previous years	-	-	20,528	-	-	-	-	-	-	-	20,528	33	20,561
Interim Dividend for 2023	-	-	-	-	-	-	-	-	-	-	-	(3,600)	(3,600)
Share-based Payment transactions	-	-	-	-	-	-	-	21,433	-	-	21,433	-	21,433
Transfers to non-distributable capital reserve	-	27,750	-	-	-	-	-	-	-	-	27,750	22,704	50,454
Transfers during the year	-	1,479,114	(12,209,114)	-	-	-	-	-	-	10,730,000	-	-	-
Total transactions with equity holders	4,798,382	1,506,864	(17,720,077)	-	-	-	-	(50,929)	-	10,730,000	(735,760)	8,337	(727,423)
Balance as at December 31, 2023 - Audited	62,948,003	13,586,534	9,943,003	11,502,088	1,964,013	9,697,463	-	99,600	-	110,730,003	220,470,707	4,503,786	224,974,493
Total comprehensive income for the year 2024													
Profit for the year	-	-	55,073,240	-	-	-	-	-	-	-	55,073,240	613,172	55,686,412
Other comprehensive income, net of tax	-	-	(421,605)	-	1,037,272	(11,564,950)	-	-	-	-	(10,949,283)	(406,614)	(11,355,897)
Net actuarial gains/(losses) on defined benefit plans	-	-	(421,605)	-	-	-	-	-	-	-	(421,605)	310	(421,295)
Share of other comprehensive income/(expense) of associate, net of tax	-	-	-	-	247	-	-	-	-	-	247	-	247
Net fair value gains/(losses) on remeasuring financial assets measured at fair value through other comprehensive income	-	-	-	-	1,037,025	-	-	-	-	-	1,037,025	-	1,037,025
Net gains/(losses) arising from translating the Financial Statements of foreign the operations	-	-	-	-	-	(11,564,950)	-	-	-	-	(11,564,950)	(406,924)	(11,971,874)
Total comprehensive income for the year 2024	-	-	54,651,635	-	1,037,272	(11,564,950)	-	-	-	-	44,123,957	206,558	44,330,515
Transactions with owners recognised directly in equity, contributions by and distributions to owners													
Proceeds from Rights issue of Ordinary shares	22,543,555	-	-	-	-	-	-	-	-	-	22,543,555	-	22,543,555
Issue of Ordinary voting shares under Employee Share Option Plans	272,475	-	-	-	-	-	-	-	-	-	272,475	-	272,475
Transfer o/a Share-based Payment transactions	19,017	-	-	-	-	-	-	(19,017)	-	-	-	-	-
Transfer of cost o/a of expired ESOP Shares (net of tax)	-	-	42,808	-	-	-	-	(61,154)	-	-	(18,346)	-	(18,346)
Dividends to equity holders	2,234,044	-	(8,519,130)	-	-	-	-	-	-	-	(6,285,086)	(20,364)	(6,305,450)
First & Final dividend for 2023 satisfied in the form of cash	-	-	(5,913,644)	-	-	-	-	-	-	-	(5,913,644)	(16,800)	(5,930,444)
First & Final dividend for 2023 satisfied in the form of issue and allotment of new shares	2,234,044	-	(2,628,286)	-	-	-	-	-	-	-	(394,242)	-	(394,242)
Unclaimed dividend absorbed/(dividend paid) in respect of previous years	-	-	22,800	-	-	-	-	-	-	-	22,800	36	22,836
Interim Dividend for 2024	-	-	-	-	-	-	-	-	-	-	-	(3,600)	(3,600)
Share-based Payment transactions	-	-	-	-	-	-	-	22,180	-	-	22,180	-	22,180
Transfers during the year	-	2,883,152	(38,584,646)	-	-	-	-	-	8,731,494	26,970,000	-	-	-
Total transactions with equity holders	25,069,091	2,883,152	(47,060,968)	-	-	-	-	(57,991)	8,731,494	26,970,000	16,534,778	(20,364)	16,514,414
Balance as at December 31, 2024 - Audited	88,017,094	16,469,686	17,533,670	11,502,088	3,001,285	(1,867,487)	-	41,609	8,731,494	137,700,003	281,129,442	4,689,980	285,819,422

	Stated capital	Statutory reserve fund	Retained earnings	Other reserves							Shareholders' funds	Non-controlling interest	Total equity
	Rs.'000	Rs.'000	Rs.'000	Revaluation reserve	Fair value reserve	Foreign currency translation reserve	Hedging reserve	Employee share option reserve	Special reserve	General reserve			
				Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000			
Balance as at December 31, 2022 - Audited	58,149,621	11,352,858	5,592,121	9,396,542	78,743	18,941,705	36,554	150,529	-	100,000,003	203,698,676	-	203,698,676
Total comprehensive income for the year 2023													
Profit for the year	-	-	20,460,962	-	-	-	-	-	-	-	20,460,962	-	20,460,962
Other comprehensive income, net of tax	-	-	(230,394)	1,003,035	1,885,252	(11,086,172)	(36,554)	-	-	-	(8,464,833)	-	(8,464,833)
Net actuarial gains/(losses) on defined benefit plans	-	-	(239,530)	-	-	-	-	-	-	-	(239,530)	-	(239,530)
Net change in revaluation surplus	-	-	-	1,012,171	-	-	-	-	-	-	1,012,171	-	1,012,171
Revaluation surplus transferred to retained earnings upon the disposal of freehold land	-	-	9,136	(9,136)	-	-	-	-	-	-	-	-	-
Net fair value gains/(losses) on remeasuring financial assets measured at fair value through other comprehensive income	-	-	-	-	1,885,252	-	-	-	-	-	1,885,252	-	1,885,252
Net gains/(losses) arising from translating the Financial Statements of the foreign operations	-	-	-	-	-	(11,086,172)	-	-	-	-	(11,086,172)	-	(11,086,172)
Cash flow hedges - effective portion of changes in fair value, net of tax	-	-	-	-	-	-	(36,554)	-	-	-	(36,554)	-	(36,554)
Total comprehensive income for the year 2023	-	-	20,230,568	1,003,035	1,885,252	(11,086,172)	(36,554)	-	-	-	11,996,129	-	11,996,129
Transactions with owners recognised directly in equity, contributions by and distributions to owners													
Issue of Ordinary voting shares under Employee Share Option Plans	51,740	-	-	-	-	-	-	-	-	-	51,740	-	51,740
Transfer o/a Share-based Payment transactions	4,491	-	-	-	-	-	-	(4,491)	-	-	-	-	-
Transfer of cost o/a of expired ESOP Shares (net of tax)	-	-	47,510	-	-	-	-	(67,871)	-	-	(20,361)	-	(20,361)
Dividends to equity holders	4,742,151	-	(5,558,766)	-	-	-	-	-	-	-	(816,615)	-	(816,615)
First & Final dividend for 2022 satisfied in the form of cash	-	-	-	-	-	-	-	-	-	-	-	-	-
First & Final dividend for 2022 satisfied in the form of issue and allotment of new shares	4,742,151	-	(5,579,001)	-	-	-	-	-	-	-	(836,850)	-	(836,850)
Unclaimed dividend absorbed/(dividend paid) in respect of previous years	-	-	20,235	-	-	-	-	-	-	-	20,235	-	20,235
Share-based Payment transactions	-	-	-	-	-	-	-	21,433	-	-	21,433	-	21,433
Transfers during the year	-	1,023,048	(11,753,048)	-	-	-	-	-	-	10,730,000	-	-	-
Total transactions with equity holders	4,798,382	1,023,048	(17,264,304)	-	-	-	-	(50,929)	-	10,730,000	(763,803)	-	(763,803)
Balance as at December 31, 2023 - Audited	62,948,003	12,375,906	8,558,385	10,399,577	1,963,995	7,855,533	-	99,600	-	110,730,003	214,931,002	-	214,931,002
Total comprehensive income for the year 2024													
Profit for the year	-	-	54,073,504	-	-	-	-	-	-	-	54,073,504	-	54,073,504
Other comprehensive income, net of tax	-	-	(419,134)	-	1,032,353	(10,890,433)	-	-	-	-	(10,277,214)	-	(10,277,214)
Net actuarial gains/(losses) on defined benefit plans	-	-	(419,134)	-	-	-	-	-	-	-	(419,134)	-	(419,134)
Net fair value gains/(losses) on remeasuring financial assets measured at fair value through other comprehensive income	-	-	-	-	1,032,353	-	-	-	-	-	1,032,353	-	1,032,353
Net gains/(losses) arising from translating the Financial Statements of the foreign operations	-	-	-	-	-	(10,890,433)	-	-	-	-	(10,890,433)	-	(10,890,433)
Total comprehensive income for the year 2024	-	-	53,654,370	-	1,032,353	(10,890,433)	-	-	-	-	43,796,290	-	43,796,290
Transactions with owners recognised directly in equity, contributions by and distributions to owners													
Proceeds from Rights issue of Ordinary shares	22,543,555	-	-	-	-	-	-	-	-	-	22,543,555	-	22,543,555
Issue of Ordinary voting shares under Employee Share Option Plans	272,475	-	-	-	-	-	-	-	-	-	272,475	-	272,475
Transfer o/a Share-based Payment transactions	19,017	-	-	-	-	-	-	(19,017)	-	-	-	-	-
Transfer of cost o/a of expired ESOP Shares (net of tax)	-	-	42,808	-	-	-	-	(61,154)	-	-	(18,346)	-	(18,346)
Dividends to equity holders	2,234,044	-	(8,519,454)	-	-	-	-	-	-	-	(6,285,410)	-	(6,285,410)
First & Final dividend for 2023 satisfied in the form of cash	-	-	(5,913,644)	-	-	-	-	-	-	-	(5,913,644)	-	(5,913,644)
First & Final dividend for 2023 satisfied in the form of issue and allotment of new shares	2,234,044	-	(2,628,286)	-	-	-	-	-	-	-	(394,242)	-	(394,242)
Unclaimed dividend absorbed/(dividend paid) in respect of previous years	-	-	22,476	-	-	-	-	-	-	-	22,476	-	22,476
Share-based Payment transactions	-	-	-	-	-	-	-	22,180	-	-	22,180	-	22,180
Transfers during the year	-	2,703,675	(38,405,169)	-	-	-	-	-	8,731,494	26,970,000	-	-	-
Total transactions with equity holders	25,069,091	2,703,675	(46,881,815)	-	-	-	-	(57,991)	8,731,494	26,970,000	16,534,454	-	16,534,454
Balance as at December 31, 2024 - Audited	88,017,094	15,079,581	15,330,940	10,399,577	2,996,348	(3,034,900)	-	41,609	8,731,494	137,700,003	275,261,746	-	275,261,746

STATEMENT OF CASH FLOWS

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For the year ended December 31,	Group		Bank	
	2024	2023	2024	2023
	(Audited)	(Audited)	(Audited)	(Audited)
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash Flows from Operating Activities				
Profit before income tax	97,808,357	33,927,001	95,534,611	31,880,160
Adjustments for:				
Non-Cash Items Included in Profit or Loss and Other Comprehensive Income	(59,700,533)	36,135,811	(60,723,394)	35,977,444
Change in operating assets	(244,015,913)	(178,560,551)	(233,400,043)	(177,671,173)
Change in operating liabilities	138,769,911	181,930,677	128,849,627	181,162,526
(Gains)/losses on sale of property, plant and equipment	(15,939)	(21,048)	(2,197)	(3,167)
Loss on sale of investment property	3,225	-	-	-
Share of (profit)/loss of associate, net of tax	460	(3,495)	-	-
Dividends received from investments in subsidiaries	-	-	(93,600)	(384,601)
Proceeds received from the voluntary liquidation of a subsidiary	(3,105)	-	(3,105)	-
Interest expense on subordinated liabilities	7,242,090	5,247,288	7,242,090	5,247,288
Net unrealised gains/(losses) arising from translating the Financial Statements of foreign operations	(11,971,874)	(12,116,058)	(10,890,433)	(11,086,172)
Benefits paid on defined benefit plans	(270,771)	(610,920)	(255,784)	(601,335)
Income tax paid	(20,193,005)	(25,270,440)	(19,558,649)	(24,526,988)
Net cash flow from/(used in) operating activities	(92,347,097)	40,658,265	(93,300,877)	39,993,982
Cash Flows from Investing Activities				
Purchase of property, plant and equipment	(3,397,817)	(2,826,122)	(3,243,491)	(2,576,818)
Proceeds from sale of property, plant and equipment	42,495	33,221	5,264	15,092
Proceeds from sale of investment property	9,000	-	-	-
Purchase of financial investments	(3,151,144)	-	(3,151,144)	-
Proceeds from sale and maturity of financial investments	1,644,409	1,061,999	1,644,409	1,061,999
Purchase of intangible assets	(1,646,414)	(1,142,983)	(1,625,594)	(1,115,994)
Proceeds received from the voluntary liquidation of a subsidiary	3,105	-	3,105	-
Dividends received from investments in subsidiaries	-	-	93,600	384,601
Net cash flow from/(used in) investing activities	(6,496,366)	(2,873,885)	(6,273,851)	(2,231,120)
Cash Flows from Financing Activities				
Proceeds from right issue of ordinary shares	22,543,555	-	22,543,555	-
Proceeds from issue of ordinary voting shares under employee share option plans	272,475	51,740	272,475	51,740
Proceeds from issue of subordinated liabilities	20,000,000	12,000,000	20,000,000	12,000,000
Redemption of subordinated liabilities	-	(32,393,840)	-	(32,393,840)
Interest paid on subordinated liabilities	(6,017,352)	(6,249,529)	(6,017,352)	(6,249,529)
Payment of lease liabilities/advance payment of right-of-use assets	(1,719,337)	(1,745,373)	(1,893,969)	(1,904,590)
Dividend paid to shareholders	(5,165,595)	(3,222)	(5,165,595)	(3,222)
Withholding tax paid on scrip dividend	(1,142,772)	(836,850)	(1,142,772)	(836,850)
Dividend paid to non-controlling interest	(20,364)	(14,367)	-	-
Net cash flow from /(used in) financing activities	28,750,610	(29,191,441)	28,596,342	(29,336,291)
Net increase/(decrease) in cash & cash equivalents	(70,092,853)	8,592,939	(70,978,386)	8,426,571
Gross cash and cash equivalents as at January 01,	159,716,458	151,123,519	157,833,872	149,407,301
Gross cash and cash equivalents as at December 31,	89,623,605	159,716,458	86,855,486	157,833,872
Less: Impairment charges on cash and cash equivalents	(8,146)	(14,951)	(7,195)	(14,585)
Net Cash and cash equivalents as per Statement of Financial Position	89,615,459	159,701,507	86,848,291	157,819,287

	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
FINANCIAL ASSETS				
Cash and cash equivalents		89,615,459		89,615,459
Balances with Central Banks		55,989,574		55,989,574
Placements with banks		101,104,941		101,104,941
Securities purchased under resale agreements		28,655,962		28,655,962
Derivative financial assets	4,264,271			4,264,271
Financial assets recognised through profit or loss - measured at fair value	91,677,346			91,677,346
Financial assets at amortised cost - Loans and advances to other customers		1,421,004,171		1,421,004,171
Financial assets at amortised cost - Debt and other financial instruments		701,751,287		701,751,287
Financial assets measured at fair value through other comprehensive income			303,218,395	303,218,395
Total financial assets	95,941,617	2,398,121,394	303,218,395	2,797,281,406
		Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at Amortised Cost (AC)	Total
		Rs.'000	Rs.'000	Rs.'000
FINANCIAL LIABILITIES				
Due to banks			25,376,564	25,376,564
Derivative financial liabilities		837,497		837,497
Securities sold under repurchase agreements			112,461,472	112,461,472
Financial liabilities at amortised cost - due to depositors			2,306,079,421	2,306,079,421
Financial liabilities at amortised cost - other borrowings			14,273,156	14,273,156
Subordinated liabilities			57,707,677	57,707,677
Total financial liabilities		837,497	2,515,898,290	2,516,735,787

	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
FINANCIAL ASSETS				
Cash and cash equivalents		159,701,507		159,701,507
Balances with Central Banks		62,633,503		62,633,503
Placements with banks		81,506,653		81,506,653
Securities purchased under resale agreements		31,148,729		31,148,729
Derivative financial assets	7,226,484			7,226,484
Financial assets recognised through profit or loss - measured at fair value	29,449,653			29,449,653
Financial assets at amortised cost - Loans and advances to other customers		1,204,865,597		1,204,865,597
Financial assets at amortised cost - Debt and other financial instruments		685,155,537		685,155,537
Financial assets measured at fair value through other comprehensive income			287,732,972	287,732,972
Total financial assets	36,676,137	2,225,011,526	287,732,972	2,549,420,635
		Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at Amortised Cost (AC)	Total
		Rs. '000	Rs. '000	Rs. '000
FINANCIAL LIABILITIES				
Due to banks			47,948,578	47,948,578
Derivative financial liabilities		2,319,209		2,319,209
Securities sold under repurchase agreements			111,186,824	111,186,824
Financial liabilities at amortised cost - due to depositors			2,147,906,858	2,147,906,858
Financial liabilities at amortised cost - other borrowings			12,756,021	12,756,021
Subordinated liabilities			36,482,939	36,482,939
Total financial liabilities		2,319,209	2,356,281,220	2,358,600,429

	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
FINANCIAL ASSETS				
Cash and cash equivalents		86,848,291		86,848,291
Balances with Central Banks		45,702,086		45,702,086
Placements with banks		99,300,303		99,300,303
Securities purchased under resale agreements		28,655,962		28,655,962
Derivative financial assets	4,264,271			4,264,271
Financial assets recognised through profit or loss - measured at fair value	91,677,346			91,677,346
Financial assets at amortised cost - Loans and advances to other customers		1,384,524,660		1,384,524,660
Financial assets at amortised cost - Debt and other financial instruments		667,709,691		667,709,691
Financial assets measured at fair value through other comprehensive income			301,584,142	301,584,142
Total financial assets	95,941,617	2,312,740,993	301,584,142	2,710,266,752
		Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at Amortised Cost (AC)	Total
		Rs.'000	Rs.'000	Rs.'000
FINANCIAL LIABILITIES				
Due to banks			21,306,752	21,306,752
Derivative financial liabilities		837,497		837,497
Securities sold under repurchase agreements			112,470,392	112,470,392
Financial liabilities at amortised cost - due to depositors			2,236,566,800	2,236,566,800
Financial liabilities at amortised cost - other borrowings			14,273,156	14,273,156
Subordinated liabilities			57,707,677	57,707,677
Total financial liabilities		837,497	2,442,324,777	2,443,162,274

	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
FINANCIAL ASSETS				
Cash and cash equivalents		157,819,287		157,819,287
Balances with Central Banks		52,817,502		52,817,502
Placements with banks		81,344,696		81,344,696
Securities purchased under resale agreements		31,148,729		31,148,729
Derivative financial assets	7,226,484			7,226,484
Financial assets recognised through profit or loss - measured at fair value	29,449,653			29,449,653
Financial assets at amortised cost - Loans and advances to other customers		1,176,359,971		1,176,359,971
Financial assets at amortised cost - Debt and other financial instruments		649,740,408		649,740,408
Financial assets measured at fair value through other comprehensive income			287,023,009	287,023,009
Total financial assets	36,676,137	2,149,230,593	287,023,009	2,472,929,739
		Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at Amortised Cost (AC)	Total
		Rs. '000	Rs. '000	Rs. '000
FINANCIAL LIABILITIES				
Due to banks			47,274,361	47,274,361
Derivative financial liabilities		2,319,209		2,319,209
Securities sold under repurchase agreements			111,198,516	111,198,516
Financial liabilities at amortised cost - due to depositors			2,085,046,149	2,085,046,149
Financial liabilities at amortised cost - other borrowings			12,756,021	12,756,021
Subordinated liabilities			36,482,939	36,482,939
Total financial liabilities		2,319,209	2,292,757,986	2,295,077,195

Level 1

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

Accordingly, the Bank measures the fair value of an instrument using active quoted prices or dealer price quotations without any deduction for transaction costs, if available. 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 that have a significant effect on the instruments' valuation.

This category also 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 December 31, 2024 - (Audited)	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Financial Assets								
Derivative financial assets	-	4,264,271	-	4,264,271	-	4,264,271	-	4,264,271
Financial assets recognized through profit or loss - measured at fair value	91,677,346	-	-	91,677,346	91,677,346	-	-	91,677,346
Financial assets measured at fair value through other comprehensive income	302,215,830	-	1,002,565	303,218,395	300,583,935	-	1,000,207	301,584,142
Total financial assets at fair value	393,893,176	4,264,271	1,002,565	399,160,012	392,261,281	4,264,271	1,000,207	397,525,759
	-	-	-	-	-	-	-	-
Financial Liabilities								
Derivative financial liabilities	-	837,497	-	837,497	-	837,497	-	837,497
Total financial liabilities at fair value	-	837,497	-	837,497	-	837,497	-	837,497
	Group				Bank			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
As at December 31, 2023 -(Audited)	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Financial Assets								
Derivative financial assets	-	7,226,484	-	7,226,484	-	7,226,484	-	7,226,484
Financial assets recognized through profit or loss - measured at fair value	29,449,653	-	-	29,449,653	29,449,653	-	-	29,449,653
Financial assets measured at fair value through other comprehensive income	287,673,707	-	59,265	287,732,972	286,963,868	-	59,141	287,023,009
Total financial assets at fair value	317,123,360	7,226,484	59,265	324,409,109	316,413,521	7,226,484	59,141	323,699,146
Financial Liabilities								
Derivative financial liabilities	-	2,319,209	-	2,319,209	-	2,319,209	-	2,319,209
Total financial liabilities at fair value	-	2,319,209	-	2,319,209	-	2,319,209	-	2,319,209

FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES CARRIED AT AMORTISED COST

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

	Group					Bank				
	Level 1	Level 2	Level 3	Total fair value	Total carrying amount	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
As at December 31, 2024 - (Audited)	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Financial Assets										
Financial assets at amortised cost - Loans and advances to other customers	-	1,405,823,539	-	1,405,823,539	1,421,004,171	-	1,369,344,028	-	1,369,344,028	1,384,524,660
Financial assets at amortised cost - Debt and other financial instruments (*)	642,152,910	102,241,490	-	744,394,400	701,751,287	608,111,314	102,241,490	-	710,352,804	667,709,691
Total financial assets not at fair value	642,152,910	1,508,065,029	-	2,150,217,939	2,122,755,458	608,111,314	1,471,585,518	-	2,079,696,832	2,052,234,351
Financial Liabilities										
Financial liabilities at amortised cost - due to depositors	-	2,311,417,549	-	2,311,417,549	2,306,079,421	-	2,241,904,928	-	2,241,904,928	2,236,566,800
Subordinated liabilities	-	66,484,748	-	66,484,748	57,707,677	-	66,484,748	-	66,484,748	57,707,677
Total financial liabilities not at fair value	-	2,377,902,297	-	2,377,902,297	2,363,787,098	-	2,308,389,676	-	2,308,389,676	2,294,274,477

(*) USD Step-Up Bond and PDI Bond were classified under level 2 as at December 31, 2024. Total fair value of the Bonds amounted to Rs 79.890 Bn. (Carrying value -Rs 73.801 Bn.)

	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, 2023 -(Audited)	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Financial Assets										
Financial assets at amortised cost - Loans and advances to other customers	-	1,175,864,097	-	1,175,864,097	1,204,865,597	-	1,147,358,471	-	1,147,358,471	1,176,359,971
Financial assets at amortised cost - Debt and other financial instruments	665,889,078	24,114,999	-	690,004,077	685,155,537	630,473,949	24,114,999	-	654,588,948	649,740,408
Total financial assets not at fair value	665,889,078	1,199,979,096	-	1,865,868,174	1,890,021,134	630,473,949	1,171,473,470	-	1,801,947,419	1,826,100,379
Financial Liabilities										
Financial liabilities at amortised cost - due to depositors	-	2,156,899,386	-	2,156,899,386	2,147,906,858	-	2,094,038,677	-	2,094,038,677	2,085,046,149
Subordinated liabilities	-	40,279,813	-	40,279,813	36,482,939	-	40,279,813	-	40,279,813	36,482,939
Total financial liabilities not at fair value	-	2,197,179,199	-	2,197,179,199	2,184,389,797	-	2,134,318,490	-	2,134,318,490	2,121,529,088

Assets and Liabilities for which fair value approximates the carrying value

For financial assets and liabilities listed below 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 31.12.2024	As at 31.12.2023	As at 31.12.2024	As at 31.12.2023
Regulatory Capital - Rs. '000				
Common Equity Tier I	223,991,979	156,847,378	234,946,503	166,649,326
Tier I Capital	223,991,979	156,847,378	234,946,503	166,649,326
Total Capital	285,627,033	207,684,979	296,922,313	218,423,196
Regulatory Capital Ratios (%)				
Common Equity Tier I Capital Ratio (Minimum Requirement - 8.500%)	14.227	11.442	13.968	11.513
Tier I Capital Ratio (Minimum Requirement - 10.000%)	14.227	11.442	13.968	11.513
Total Capital Ratio (Minimum Requirement - 14.000%)	18.142	15.151	17.653	15.090
Leverage Ratio (%) (Minimum Requirement - 3%)	6.79	5.10	6.94	5.29
Regulatory Liquidity				
Statutory Liquid Assets - Rs. '000 (*)				
Consolidated (Sri Lankan Operations)	- N / A -	843,748,779		
Statutory Liquid Assets Ratio (%) (Minimum Requirement 20%) (*)				
Consolidated (Sri Lankan Operations)	- N / A -	46.06		
Total Stock of High Quality Liquid Assets - Rs. '000	898,246,022	760,373,663		
Liquidity Coverage Ratio (%) (Minimum Requirement - 100%)				
Liquidity Coverage Ratio (%) - Rupee	529.20	491.61		
Liquidity Coverage Ratio (%) - All Currency	454.36	516.27		
Net Stable Funding Ratio (%) (Minimum Requirement - 100%)	187.29	193.70		
Asset Quality (Quality of Loan Portfolio)				
Impaired Loans (Stage 3) Ratio (%)	2.76	5.85		
Impairment (Stage 3) to Stage 3 Loans Ratio (%)	64.61	43.22		
Profitability				
Interest Margin (%)	4.27	3.32		
Return on Assets (before tax) (%)	3.56	1.27		
Return on Equity (%)	22.06	9.78		
Debt Security Related Ratios				
Debt to Equity Ratio (%)	20.96	16.97		
Interest Cover (Times)	17.54	8.84		

(*) Discontinued as per the Banking Act determination No 01 of 2024 dated June 13, 2024.

OPERATING SEGMENTS - GROUP - (Audited)														17
	Personal Banking		Corporate Banking		International Operations		Dealing/Treasury		NBFI, Real Estate & Services		Unallocated/Eliminations		Total/Consolidated	
For the year ended December 31,	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Net interest income	48,020,289	40,715,044	18,497,433	21,868,573	25,112,999	19,719,837	17,361,868	(8,944,700)	1,048,491	754,737	8,093,604	12,301,868	118,134,684	86,415,359
Foreign exchange profit	590,262	603,669	414,104	(459,982)	9,294,675	11,887,763	(770,482)	(118,696)	1,149	(1,959)	(6,118,233)	(6,929,205)	3,411,475	4,981,590
Net fee and commission income	13,462,773	11,801,597	6,062,781	7,094,059	2,827,986	2,575,972	6,510	24,220	489,346	289,629	796,782	601,842	23,646,178	22,387,319
Other income	772,833	531,809	798,384	305,685	183,257	98,445	(40,649,037)	6,820,723	1,992,586	1,610,481	(1,231,324)	(1,081,611)	(38,133,301)	8,285,532
Total operating income	62,846,157	53,652,119	25,772,702	28,808,335	37,418,917	34,282,017	(24,051,141)	(2,218,453)	3,531,572	2,652,888	1,540,829	4,892,894	107,059,036	122,069,800
Impairment (charges) / recersal and other losses	(7,808,768)	702,201	5,427,844	(9,629,282)	(7,998,457)	(239,398)	72,914,330	(29,248,778)	(240,135)	(479,813)	-	-	62,294,814	(38,895,070)
Net operating income	55,037,389	54,354,320	31,200,546	19,179,053	29,420,460	34,042,619	48,863,189	(31,467,231)	3,291,437	2,173,075	1,540,829	4,892,894	169,353,850	83,174,730
Segment result	23,497,494	22,334,766	23,230,485	16,561,241	21,723,492	26,654,301	39,898,003	(32,236,861)	639,464	300,192	(11,180,121)	309,867	97,808,817	33,923,506
Profit from operations													97,808,817	33,923,506
Share of profit/(loss) of associate (net of tax)													(460)	3,495
Income tax expense													(42,121,945)	(12,027,341)
Non-controlling interest													(613,172)	(784,985)
Net profit for the year, attributable to equity holders of the parent													55,073,240	21,114,675
As at December 31,	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Other information														
Segment assets	690,082,936	716,363,522	561,359,536	472,431,439	432,485,580	449,873,087	1,183,389,818	968,515,924	21,098,534	16,483,645	(12,482,328)	31,885,054	2,875,934,076	2,655,552,671
Investment in associate	-	-	-	-	-	-	-	-	-	-	58,791	59,004	58,791	59,004
Total assets	690,082,936	716,363,522	561,359,536	472,431,439	432,485,580	449,873,087	1,183,389,818	968,515,924	21,098,534	16,483,645	(12,423,537)	31,944,058	2,875,992,867	2,655,611,675
Segment liabilities	1,735,976,289	1,534,359,229	420,002,037	415,820,007	357,483,056	347,292,128	110,375,915	147,371,883	14,801,101	10,474,784	(48,464,953)	(24,680,849)	2,590,173,445	2,430,637,182
Total liabilities	1,735,976,289	1,534,359,229	420,002,037	415,820,007	357,483,056	347,292,128	110,375,915	147,371,883	14,801,101	10,474,784	(48,464,953)	(24,680,849)	2,590,173,445	2,430,637,182
For the year ended December 31,													2024 Rs.'000	2023 Rs.'000
Information on cash flows														
Cash flows from operating activities													(92,347,097)	40,658,265
Cash flows from investing activities													(1,503,630)	1,061,999
Cash flows from financing activities													28,750,610	(29,191,441)
Capital expenditure -														
Property, Plant & Equipment													(3,355,322)	(2,792,901)
Investment Properties													9,000	-
Intangible assets													(1,646,414)	(1,142,983)
Net cash flow generated during the year													(70,092,853)	8,592,939

Twenty largest ordinary voting shareholders as at December 31, 2024

Name of the Shareholder	No. of Shares	%
01. Mr. Y. S. H. I. Silva	149,546,792	9.87
02. DFCC Bank PLC A/C 1	147,220,542	9.72
03. Mr. D. P. Pieris	146,615,856	9.68
04. Employees' Provident Fund	124,889,157	8.24
05. CB NY S/A International Finance Corporation	107,483,349	7.09
06. Sri Lanka Insurance Corporation Ltd - Life Fund	76,250,714	5.03
07. Melstacorp PLC	62,960,871	4.16
08. Mr. K. D. D. Perera	55,524,908	3.66
09. CB NY S/A IFC Emerging Asia Fund. LP	55,411,161	3.66
09. CB NY S/A IFC Financial Institutions Growth Fund LP	55,411,161	3.66
11. Sri Lanka Insurance Corporation Ltd - General Fund	53,469,865	3.53
12. Citibank New York S/A Norges Bank Account 2	21,220,536	1.40
13. Renuka Hotels PLC	20,122,221	1.33
14. Employees' Trust Fund Board	17,064,771	1.13
15. First Capital Holdings PLC	15,179,466	1.00
16. Cargo Boat Development Company PLC	13,981,796	0.92
17. Est. of Late M. J. Fernando	13,582,057	0.90
18. Hallsville Frontier Equities Ltd	12,398,860	0.82
19. Renuka Consultants & Services Limited	12,041,979	0.79
20. Mr. A. L. Gooneratne & Mrs. C. Gooneratne (Joint)	7,557,153	0.50
Subtotal	1,167,933,215	77.09
Shares held by Directors	1,022,860	0.07
Other Shareholders	346,256,051	22.84
Total	1,515,212,126	100.00

Percentage of public holding as at December 31, 2024 - 99.79% (99.81% as at December 31, 2023)

Number of shareholders representing public holding as at December 31, 2024 - 16,927 (15,820 as at December 31, 2023)

Twenty largest ordinary non-voting shareholders as at December 31, 2024

Name of the Shareholder	No. of Shares	%
01. Employees' Trust Fund Board	6,111,455	6.43
02. Akbar Brothers (Pvt) Ltd. A/C No 1	4,772,046	5.02
03. Assetline Finance Limited/Suhada Gas Distributors (Pvt) Ltd	2,000,000	2.10
04. Mr. A. L. Gooneratne & Mrs. C. Gooneratne (Joint)	1,894,608	1.99
05. Mr. T. W. A. Wickramasinghe & Mrs. N. Wickremasinghe (Joint)	1,660,000	1.75
06. M. J. F. Exports (Pvt) Ltd	1,626,613	1.71
07. Mrs. L. V. C. Samarasingha	1,440,000	1.51
08. Mr. M. F. Hashim	1,425,529	1.50
09. Saboor Chatoor (Pvt) Ltd	1,380,574	1.45
10. Mr. R. Gautam	1,217,800	1.28
11. Janashakthi Insurance PLC - Shareholders	1,175,915	1.24
12. Mr. E. Chatoor	1,147,000	1.21
13. Quick Tea (Pvt) Ltd	1,133,319	1.19
14. J.B. Cocoshell (Pvt) Ltd	1,124,374	1.18
15. Mr. K. S. M. De Silva	1,003,550	1.06
16. Mr. J. D. Bandaranayake , Ms. N. Bandaranayake & Dr. V. Bandaranayake (Joint)	980,714	1.03
17. Mr. J. D. Bandaranayake , Dr. V. Bandaranayake & Ms. I. Bandaranayake (Joint)	956,267	1.01
18. Est. of Late M. J. Fernando	934,279	0.98
19. Swastika Mills Ltd	874,592	0.92
20. Mr. A. H. Munasinghe	854,686	0.90
Subtotal	33,713,321	35.46
Shares held by Directors	116,179	0.12
Other Shareholders	61,256,678	64.42
Total	95,086,178	100.00

Percentage of public holding as at December 31, 2024 - 99.88% (99.88% as at December 31, 2023)

Number of shareholders representing public holding as at December 31, 2024 - 6,338 (5,698 as at December 31, 2023)

Directors' holding in shares as at December 31, 2024

Name of the Director	No. of Shares	
	Voting	Non-voting
Mr. Sharhan Muhseen - Chairman *	3,361	-
Mr. Raja Senanayake - Deputy Chairman *	-	-
Mr. S. C. U. Manatunge - Managing Director/Chief Executive Officer	198,084	-
Mr. S. Prabagar - Chief Operating Officer	309,955	42,215
Mr. L. D. Niyangoda *	-	-
Ms. N. T. M. S. Cooray *	470,652	73,964
Ms. Judy Lee *	-	-
Ms. D. L. T. S. Wijewardena *	-	-
Dr. S. Selliah *	38,408	-
Mr. D. N. L. Fernando *	-	-
Mr. P. M. Kumarasinghe *	-	-
Mr. P. Y. S. Perera *	2,400	-
Total	1,022,860	116,179

* Independent Non-Executive Director

	2024 Rs.	2023 Rs.
Market price of an ordinary share as at December 31,		
Voting	144.75	95.50
Non-Voting	115.50	80.40
Highest price during the quarter ended December 31,		
Voting	145.75	95.60
Non-Voting	117.00	84.30
Lowest price during the quarter ended December 31,		
Voting	99.60	80.00
Non-Voting	80.50	69.20
As at December 31,	2024	2023
	Rs.000	Rs.000
Float adjusted market capitalization - Compliant under Option 1	229,835,643	124,095,018
As at December 31,	2024	2023
Number of ordinary shares		
Voting	1,515,212,126	1,236,525,395
Non-Voting	95,086,178	77,595,733

- 1 The Financial Statements for the year ended December 31,2024 have been audited by Messrs KPMG, the External Auditors of the Bank. The Auditors have expressed an unqualified opinion on these Financial Statements of the Bank and the Group for the year ended December 31, 2024.
- 2 The Financial Statements of the Bank and the Group have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRSs/LKAS) 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 Financial Statements included in the Annual Report for the year ended December 31, 2023.
- 3 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.

4 **First & Final Dividend for 2024**

The Board of Directors of the Bank has recommended the payment of a first and final dividend of Rs. 9.50 per share to be paid and satisfied in the form of Rs. 7.50 per share in cash and Rs. 2.00 per share in the form of issue and allotment of new shares for both voting and non-voting ordinary shareholders of the Bank for the year ended December 31, 2024, subject to the applicable Withholding Tax. The above first and final dividend recommended by the Board of Directors is to be approved at the forthcoming Annual General Meeting to be held on March 28, 2025. In accordance with the provisions of the Sri Lanka Accounting Standard - LKAS 10 on 'Events after the Reporting Period', this proposed first and final dividend has not been recognised as a liability in the Financial Statements as at December 31, 2024.

5 **Reporting entity**

The Bank does not have an identifiable parent of its own. Commercial Bank of Ceylon PLC is the ultimate parent of the Group. The consolidated financial statements of the Bank cover the Bank and its subsidiaries, Commercial Development Company PLC, CBC Tech Solutions Limited, CBC Finance Limited, Commercial Insurance Brokers (Pvt) Ltd, Commercial Bank of Maldives Private Limited, CBC Myanmar Microfinance Company Limited and the Group's only associate Equity Investments Lanka Ltd.

6 **Impairment of loans & advances**

The Bank reassessed the Probability of Default (PD), Loss Given Default (LGD) and the Economic Factor Adjustment (EFA) used in collective impairment assessment of the Sri Lankan operations as at December 31, 2024, after taking into consideration the improved macro-economic conditions such as the reduction in exchange rates, interest rates, inflation and improvements in GDP growth rates in the Sri Lankan economy. However, due to uncertainties prevailing in the Bangladesh economy, the Bank adjusted the probability weightages of macro-economic scenarios for EFA applicable for Bangladesh operations and applied stressed LGDs, in measuring Expected Credit Loss (ECL) as a prudential measure. As a result, the impairment provision for the Bangladesh loan portfolio increased during the year 2024.

Further, the Bank performed a comprehensive assessment of individually significant customers as at December 31, 2024, and based on the assessment, those customers who have been impaired due to significant increase in credit risk were moved from Stage 1 to Stage 2 or Stage 3 based on the severity of the credit risk. 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 year.

In addition, the Bank reassessed the adequacy of the additional impairment provisions recognised as management overlays for credit facilities in risk elevated industries as at the reporting date to capture the loss events that cannot be assessed using modeled outcomes.

7 **Restructuring of Sri Lanka International Sovereign Bonds (SLISBs)**

Sri Lanka's economic downturn which began in 2019, led the country to seek IMF support, contingent on a debt restructuring programme. As part of this programme, the restructuring of SLISBs was finalized on December 20, 2024, giving the bondholders one of the two options, namely the Local Bonds Option and the Global Bonds Option. The Bank opted for the Local Bonds Option as it offered a significantly lower principal haircut compared to the Global Bonds Option, albeit lower coupon rates and extended maturities.

Under the Local Bonds Option, 30% of the SLISB portfolio was converted to Local LKR Bonds (Rs. 45,033 Bn.), whereas remaining 70% of the portfolio was converted to a USD Step-Up Bond (USD 325.760 Mn.) with a haircut of 10%. The USD Step-Up bond also provides the Government of Sri Lanka (GoSL) the option to settle the bond in LKR, if it determines that settlement in USD is not feasible. A Past Due Interest (PDI) Bond (USD 68.420 Mn.), denominated in USD, was issued to compensate the past due interest due to the Bank, subject to absorbing the shortfall in the committee expenses. In addition, the Bank was provided with an Exchange Fee Bond (USD 9.602 Mn.) for giving its consent to the restructuring programme. As per Sri Lanka Accounting Standard - SLFRS 9 on 'Financial Instruments' (SLFRS 9), since this modification is substantial, the existing SLISBs were derecognized and the new bonds were recognized at their fair values using the discounted cash flow valuation model.

A summary of the key terms and the details of the bonds received by the Bank under the Local Bonds Option is tabulated below.

Type of Bond / Bonds	Key terms	Value exchanged
Local LKR Bonds	* Coupon rate: Variable interest rate of SLFR + 0.5%.	Rs. 45,033 Bn.
	* Eight (8) new variable coupon Treasury Bonds denominated in LKR with bullet repayment on the relevant maturity date.	
	* Maturity dates: between March 2036 and March 2043, with one bond maturing each year during this period.	
	* Haircut: 0%.	
USD Step-Up Bond	* Coupon rate: 1% to 3.5% throughout its tenor (1% at inception which will gradually increase up to 3.5% by the Bond's final maturity date).	USD 325.760 Mn.
	* Number of installments: 10 (5 installments each amounting to 8% of the total value of the USD Step-Up Bond and another 5 installments each amounting to 12% of the total value of the USD Step-Up Bond).	
	* Amortization dates: from June 2029 to June 2038.	
	* Haircut: 10%.	
PDI Bond	* Coupon rate: Fixed interest rate of 4%.	USD 68.420 Mn.
	* Number of installments: 5 (1 installment amounting to 7% of the total value of the PDI Bond and another 3 installments each amounting to 20% of the total value of the PDI Bond. Last installment of 33% of the total value of the PDI Bond).	
	* Amortization dates: from December 2024 to April 2028.	
	* Haircut: 11%.	

Derecognition loss and reversal of impairment provisions made on SLISBs

A discount rate of 10% was used to measure the fair value of the PDI Bond (denominated in USD) whereas, a discount rate of 8.5% (after removing the approximate credit risk premium) was used to measure the fair value of the USD Step-Up Bond (denominated in USD), as this Bond does not carry a credit risk due to the availability of LKR settlement option to the GoSL in the event of a default. Fair value of the Local LKR Bond was not significantly different from the issued value, since the Bond has been issued at SLFR + 0.5% which is on par with the short-term market return of similar instruments with a term reflecting the repricing interval (i.e., 6 months Treasury Bill Rate) as the reference rate (i.e., SLFR + 0.5%) is repriced every six months.

Accordingly, the net derecognition loss as at December 20, 2024 (i.e., derecognition date) amounted to Rs. 45.108 Bn. The net derecognition loss is reported under 'Derecognition loss on restructuring of SLISBs' in the Income Statement. The detailed breakdowns of the same is shown below.

Description	Rs Bn.
Net capital loss from previously held SLISBs	(8,640)
Day one loss owing to the difference between the contractual rates and the discounting rates used to measure the fair values:	
- USD Step-Up Bond - face value of USD 325.760 Mn. (discounted at 8.5%)	(37,395)
- PDI Bond - face value of USD 68.420 Mn. (discounted at 10%)	(1,882)
Present value of the Exchange Fee Bond - face value of USD 9.602 Mn. (discounted at 10%)	2,809
Net derecognition loss on restructuring of SLISBs	(45,108)

Further, the cumulative impairment provision on the previously held SLISBs amounting to Rs. 92.857 Bn. was reversed to the Income Statement as at the derecognition date.

Sensitivity Analysis

A 1% increase in the discount rate would decrease the fair values of the new bonds by Rs. 4.368 Bn., and a 1% decrease in the discount rate would increase the fair values of the new bonds by Rs. 4.781 Bn.

ECL Provision for newly recognised bonds

The Bank did not make ECL provisions for the Local LKR Bonds and USD Step-Up Bond as these instruments are not exposed to credit risk characteristics and are deemed to carry no LGD for the assessment of ECL as at the reporting date. However, the Bank has made an ECL provision of 8% (Rs.1.356 Bn.) on the amortised cost of the PDI Bond (Rs. 16.947 Bn.) as at the reporting date.

8 **Reclassification of Government Securities**

The Bank reclassified bulk of its Treasury Bond Portfolio amounting to Rs. 197.075 Bn., majority of Sri Lanka Development Bonds (SLDBs) portfolio amounting to Rs. 55.473 Bn., (USD 152.189 Mn) and the entire SLISB portfolio amounting to Rs. 39.596 Bn., (USD 108.631 Mn) from Fair Value through Other Comprehensive Income (FVOCI) category to Amortised 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 that took place in the macro-economic landscape of the country. The fair value of the debt portfolio reclassified on April 01, 2022, and remaining as at December 31, 2024 amounted to Rs. 72.620 Bn., and the cumulative fair value loss thereon amounted to Rs. 2.014 Bn., (Net of tax Rs. 1.410 Bn.).

9 **Special Reserve**

In accordance with the instructions received from the Central Bank of Sri Lanka dated February 13, 2025, a 15% regulatory capital charge amounting to Rs. 8.731 Bn. was transferred to a Special Reserve from Retained Earnings. This charge is computed based on the carrying value of the foreign currency denominated Sovereign Bonds with an LKR option. The transfer to the Special Reserve will remain in effect for a period of six months, commencing from December 31, 2024.

10 During the quarter, there were no material changes in the composition of assets, liabilities and/or contingent liabilities, other than those disclosed above.

11 All known expenses including management fees and similar expenses have been provided for in these Interim Financial Statements.

12 There were no material events that took place since December 31, 2024, that require disclosure in these Interim Financial Statements, other than those disclosed under item 4 above.

INFORMATION ON DEBENTURES - BANK - (Audited)

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Categories	Interest	Allotment	Maturity	Coupon Rate	Effective annual yield	Interest rate of comparable Government Security	Market value			Other Ratios as at date of last trade		Group / Bank
	payable	date	date				Highest	Lowest	Period End	Interest yield	Yield to Maturity	
	frequency											
				%	%	%						Rs.'000
Fixed Rate Debentures												
Issued in 2016												
2016/2026 - Type B - Public/Listed	Bi-annually	09.03.2016	08.03.2026	11.25	11.57	13.60	Not traded during the period			- N/A -	- N/A -	1,749,090
2016/2026 - Type B - Public/Listed	Bi-annually	28.10.2016	27.10.2026	12.25	12.63	13.65	Not traded during the period			- N/A -	- N/A -	1,928,200
Issued in 2018												
2018/2028 - Type B - Public/Listed	Bi-annually	23.07.2018	22.07.2028	12.50	12.89	13.85	Not traded during the period			- N/A -	- N/A -	1,606,160
Issued in 2021												
2021/2026 - Type A - Public/Listed	Bi-annually	21.09.2021	20.09.2026	9.00	9.20	13.65	Not traded during the period			- N/A -	- N/A -	4,237,470
2021/2028 - Type B - Public/Listed	Bi-annually	21.09.2021	20.09.2028	9.50	9.73	13.70	Not traded during the period			- N/A -	- N/A -	4,358,000
Issued in 2022												
2022/2027 - Type A - Public/Listed	Bi-annually	12.12.2022	11.12.2027	28.00	29.96	13.55	142	100	142 (*)	29.96	13.73	6,724,680
2022/2029 - Type B - Public/Listed	Bi-annually	12.12.2022	11.12.2029	27.00	28.82	13.45	156	156	156 (**)	28.82	13.66	3,263,820
2022/2032 - Type C - Public/Listed	Bi-annually	12.12.2022	11.12.2032	22.00	23.21	13.70	Not traded during the period			- N/A -	- N/A -	11,500
Issued in 2023												
2023/2028 - Type A - Public/Listed	Bi-annually	20.12.2023	19.12.2028	14.50	15.03	14.05	Not traded during the period			- N/A -	- N/A -	2,132,400
2023/2028 - Type B - Public/Listed	Annually	20.12.2023	19.12.2028	15.00	15.00	14.05	Not traded during the period			- N/A -	- N/A -	7,558,090
2023/2030 - Type C - Public/Listed	Bi-annually	20.12.2023	19.12.2030	13.75	14.22	13.35	Not traded during the period			- N/A -	- N/A -	32,980
2023/2030 - Type D - Public/Listed	Annually	20.12.2023	19.12.2030	14.25	14.25	13.35	Not traded during the period			- N/A -	- N/A -	817,760
2023/2033 - Type E - Public/Listed	Bi-annually	20.12.2023	19.12.2033	13.50	13.96	12.95	Not traded during the period			- N/A -	- N/A -	30,840
2023/2033 - Type F - Public/Listed	Annually	20.12.2023	19.12.2033	14.00	14.00	12.95	120	120	120 (***)	14.00	10.86	1,427,930
Issued in 2024												
2024/2029 - Type A - Public/Listed	Bi-annually	10.07.2024	09.07.2029	12.60	13.00	12.70	Not traded during the period			- N/A -	- N/A -	1,427,250
2024/2029 - Type B - Public/Listed	Annually	10.07.2024	09.07.2029	13.00	13.00	12.70	Not traded during the period			- N/A -	- N/A -	12,455,160
2024/2031 - Type C - Public/Listed	Bi-annually	10.07.2024	09.07.2031	12.85	13.26	12.85	Not traded during the period			- N/A -	- N/A -	139,670
2024/2031 - Type D - Public/Listed	Annually	10.07.2024	09.07.2031	13.25	13.25	12.85	Not traded during the period			- N/A -	- N/A -	368,890
2024/2034 - Type E - Public/Listed	Bi-annually	10.07.2024	09.07.2034	13.00	13.42	13.25	Not traded during the period			- N/A -	- N/A -	73,040
2024/2034 - Type F - Public/Listed	Annually	10.07.2024	09.07.2034	13.50	13.50	13.25	Not traded during the period			- N/A -	- N/A -	5,535,990
Total												55,878,920
(*) Last traded date - April 04, 2024												
(**) Last traded date - January 24, 2024												
(***) Last traded date - March 27, 2024												

As at	Group		Bank	
	31.12.2024 Rs.'000	31.12.2023 Rs.'000	31.12.2024 Rs.'000	31.12.2023 Rs.'000
Gross loans and advances to other customers	1,525,506,779	1,295,751,342	1,486,900,686	1,265,559,303
Impairment on loans and advances to other customers				
Accumulated impairment under stage 1	6,368,507	9,009,921	6,198,064	8,800,339
Accumulated impairment under stage 2	11,795,090	17,421,283	11,454,464	17,182,146
Accumulated impairment under stage 3	86,339,011	64,454,541	84,723,498	63,216,847
Total impairment	104,502,608	90,885,745	102,376,026	89,199,332
Net value of loans and advances to other customers	1,421,004,171	1,204,865,597	1,384,524,660	1,176,359,971
Gross loans and advances to other customers				
By product - Domestic Currency				
Overdrafts	140,193,217	106,726,680	140,203,674	106,752,409
Trade finance	78,137,903	66,631,281	78,137,904	66,631,283
Lease rental receivable	57,502,917	38,054,890	52,362,869	34,684,299
Credit cards	20,989,212	18,767,247	20,989,213	18,767,247
Pawning	44,408,251	35,143,437	43,306,982	34,904,612
Staff loans	13,893,519	12,849,787	13,872,133	12,826,752
Housing loans	75,887,230	67,479,687	75,887,230	67,479,687
Personal loans	39,288,071	35,218,343	39,153,018	35,084,954
Term loans	622,987,495	526,940,767	615,530,878	521,285,136
Bills of Exchange	333,363	274,317	333,363	274,317
Subtotal	1,093,621,178	908,086,436	1,079,777,264	898,690,696
By product - Foreign Currency				
Overdrafts	31,529,276	28,569,226	26,117,494	24,515,144
Trade finance	53,556,811	35,367,529	51,096,285	33,864,105
Lease rental receivable	980,351	1,572,676	980,351	1,572,676
Credit cards	559,057	490,581	320,805	290,415
Staff loans	451,188	471,937	419,667	451,720
Housing loans	3,824,864	5,299,480	3,824,864	5,299,480
Personal loans	2,202,924	1,293,005	394,476	481,469
Term loans	273,727,466	265,687,360	258,915,816	251,480,486
Bills of Exchange	65,053,664	48,913,112	65,053,664	48,913,112
Subtotal	431,885,601	387,664,906	407,123,422	366,868,607
Gross loans and advances to other customers	1,525,506,779	1,295,751,342	1,486,900,686	1,265,559,303

	Group		Bank	
	2024 (Audited) Rs.'000	2023 (Audited) Rs.'000	2024 (Audited) Rs.'000	2023 (Audited) Rs.'000
Movement of impairment during the period				
Under Stage 1				
Balance as at January 1,	9,009,921	14,799,919	8,800,339	14,598,587
Charge/(write back) to the Income Statement	(2,344,783)	(5,278,093)	(2,314,729)	(5,303,991)
Exchange rate variance on foreign currency provisions	(296,631)	(511,905)	(287,546)	(494,257)
Balance as at December 31,	6,368,507	9,009,921	6,198,064	8,800,339
Under Stage 2				
Balance as at January 1,	17,421,283	28,559,919	17,182,146	28,248,676
Charge/(write back) to the Income Statement	(5,373,860)	(10,782,914)	(5,484,152)	(10,715,219)
Exchange rate variance on foreign currency provisions	(252,333)	(355,722)	(243,530)	(351,311)
Balance as at December 31,	11,795,090	17,421,283	11,454,464	17,182,146
Under Stage 3				
Balance as at January 1,	64,454,541	47,317,850	63,216,847	46,377,401
Charge/(write back) to the Income Statement	30,972,999	22,224,852	30,615,177	21,708,929
Net write-off/(recoveries) during the year	(3,500,721)	(136,623)	(3,500,567)	69,927
Exchange rate variance on foreign currency provisions	(1,907,764)	(1,535,544)	(1,873,534)	(1,526,233)
Interest accrued / (reversals) on impaired loans and advances	(3,242,151)	(3,512,986)	(3,094,422)	(3,369,908)
Other movements	(437,893)	147,446	(640,003)	(43,269)
Transfers to non-distributable capital reserve	-	(50,454)	-	-
Balance as at December 31,	86,339,011	64,454,541	84,723,498	63,216,847
Total Impairment				
Balance as at January 1,	90,885,745	90,677,688	89,199,332	89,224,664
Charge/(write back) to the Income Statement	23,254,356	6,163,845	22,816,296	5,689,719
Net write-off/(recoveries) during the year	(3,500,721)	(136,623)	(3,500,567)	69,927
Exchange rate variance on foreign currency provisions	(2,456,728)	(2,403,171)	(2,404,610)	(2,371,801)
Interest accrued / (reversals) on impaired loans and advances	(3,242,151)	(3,512,986)	(3,094,422)	(3,369,908)
Other movements	(437,893)	147,446	(640,003)	(43,269)
Transfers to non-distributable capital reserve	-	(50,454)	-	-
Balance as at December 31,	104,502,608	90,885,745	102,376,026	89,199,332

ANALYSIS OF COMMITMENTS AND CONTINGENCIES AND IMPAIRMENT

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As at	Group		Bank	
	31.12.2024 Rs.'000	31.12.2023 Rs.'000	31.12.2024 Rs.'000	31.12.2023 Rs.'000
Gross commitments and contingencies	750,876,960	675,776,516	743,964,900	668,875,778
Impairment on commitments and contingencies				
Accumulated impairment under stage 1	1,980,752	2,605,485	1,972,973	2,601,480
Accumulated impairment under stage 2	649,312	915,546	649,312	915,546
Accumulated impairment under stage 3	1,897,408	2,565,734	1,897,408	2,565,734
Total Impairment	4,527,472	6,086,765	4,519,693	6,082,760
Gross commitments and contingencies				
By product - Domestic currency				
Contingencies	81,893,510	61,185,698	81,893,509	61,185,698
Guarantees	61,834,500	41,478,697	61,834,499	41,478,697
Bonds	16,846,221	17,915,616	16,846,221	17,915,616
Documentary Credits	1,946,067	775,856	1,946,067	775,856
Acceptances	485,286	589,264	485,286	589,264
Bills for collection	781,436	426,265	781,436	426,265
Commitments	167,212,779	131,908,660	167,212,777	131,908,660
Undrawn commitments	165,738,167	127,407,420	165,738,166	127,407,420
Capital commitments	1,474,612	4,501,240	1,474,611	4,501,240
Subtotal	249,106,289	193,094,358	249,106,286	193,094,358
By product - Foreign Currency				
Contingencies	465,623,551	447,142,629	464,465,343	445,983,507
Guarantees	29,047,101	16,639,947	28,114,198	16,624,239
Bonds	33,509,997	21,585,337	33,429,217	20,614,056
Documentary Credits	79,396,900	65,623,852	79,382,094	65,623,852
Forward exchange and Currency Swaps	218,433,574	223,367,054	218,433,574	223,367,054
Acceptances	34,024,619	29,341,336	34,024,619	29,341,336
Bills for collection	69,431,790	88,450,964	69,302,071	88,278,831
Bullion on consignment	31,501	27,770	31,501	27,770
Other Contingencies	1,748,069	2,106,369	1,748,069	2,106,369
Commitments	36,147,120	35,539,529	30,393,271	29,797,913
Undrawn commitments	35,965,371	35,394,514	30,393,271	29,797,913
Capital commitments	181,749	145,015	-	-
Subtotal	501,770,671	482,682,158	494,858,614	475,781,420
Total	750,876,960	675,776,516	743,964,900	668,875,778

	Group		Bank	
	2024	2023	2024	2023
	(Audited) Rs.'000	(Audited) Rs.'000	(Audited) Rs.'000	(Audited) Rs.'000
Movement of impairment during the period				
Under Stage 1				
Balance as at January 1,	2,605,485	3,857,396	2,601,480	3,832,621
Charge/(write back) to the Income Statement	(573,063)	(1,103,146)	(577,336)	(1,085,126)
Exchange rate variance on foreign currency provisions	(51,670)	(148,765)	(51,171)	(146,015)
Balance as at December 31,	1,980,752	2,605,485	1,972,973	2,601,480
Under Stage 2				
Balance as at January 1,	915,546	1,605,681	915,546	1,605,681
Charge/(write back) to the Income Statement	(194,861)	(664,771)	(194,861)	(664,771)
Exchange rate variance on foreign currency provisions	(71,373)	(25,364)	(71,373)	(25,364)
Balance as at December 31,	649,312	915,546	649,312	915,546
Under Stage 3				
Balance as at January 1,	2,565,734	2,449,385	2,565,734	2,449,385
Charge/(write back) to the Income Statement	851,611	116,349	851,611	116,349
Net write-off/(recoveries) during the year	(1,435,659)	-	(1,435,659)	-
Exchange rate variance on foreign currency provisions	(84,278)	-	(84,278)	-
Balance as at December 31,	1,897,408	2,565,734	1,897,408	2,565,734
Total Impairment				
Balance as at January 1,	6,086,765	7,912,462	6,082,760	7,887,687
Charge/(write back) to the Income Statement	83,687	(1,651,568)	79,414	(1,633,548)
Net write-off/(recoveries) during the year	(1,435,659)	-	(1,435,659)	-
Exchange rate variance on foreign currency provisions	(207,321)	(174,129)	(206,822)	(171,379)
Balance as at December 31,	4,527,472	6,086,765	4,519,693	6,082,760

ANALYSIS OF DEPOSITS

	Group		Bank	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	(Audited) Rs.'000	(Audited) Rs.'000	(Audited) Rs.'000	(Audited) Rs.'000
As at				
By product - Domestic Currency				
Current account deposits	100,681,091	92,053,878	100,685,322	92,063,554
Savings deposits	509,740,670	435,697,870	510,084,756	435,725,565
Time deposits	996,117,562	876,822,733	987,169,853	871,780,472
Certificates of deposit	3,501	3,501	3,501	3,501
Subtotal	1,606,542,824	1,404,577,982	1,597,943,432	1,399,573,092
By product - Foreign Currency				
Current account deposits	110,298,683	159,055,408	89,893,902	136,361,340
Savings deposits	162,203,389	166,727,769	150,691,611	153,857,828
Time deposits	427,034,525	417,545,699	398,037,855	395,253,889
Subtotal	699,536,597	743,328,876	638,623,368	685,473,057
Total	2,306,079,421	2,147,906,858	2,236,566,800	2,085,046,149

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 (General):
+94 11 248 6000-5 (5 lines), 4486000,
7486000, 5486000
SWIFT Code-Sri Lanka : CCEYLKLX
SWIFT Code-Bangladesh : CCEYBDDH
E-mail : info@combank.net
Website : http://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

Mrs. R. M. C. K. Siyambalagastenne
Assistant General Manager - Compliance

CREDIT RATINGS**Sri Lanka Operation**

AA-(lka) (outlook stable) by Fitch Ratings Lanka Limited in January 2025.

Bangladesh Operation

AAA was re-affirmed by Credit Rating Information & Services Limited in June 2024.

PROFESSIONAL EXPERTISE**LAWYERS**

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

AUDITORS

Messrs KPMG,
Chartered Accountants,
No. 32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186, Colombo 03, Sri Lanka.

REGISTRARS

Messrs S S P Corporate Services (Private) Limited,
No. 101, Inner Flower Road,
Colombo 3, Sri Lanka.

SUBSIDIARIES AND ASSOCIATE**LOCAL SUBSIDIARIES**

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

FOREIGN SUBSIDIARIES

Commercial Bank of Maldives Private Limited
CBC Myanmar Microfinance Company Limited

ASSOCIATE

Equity Investments Lanka Ltd.

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

Mr. Sharhan Muhseen - Chairman *
Mr. Raja Senanayake - Deputy Chairman *
Mr. S. C. U. Manatunge - Managing Director/Chief Executive Officer
Mr. S. Prabagar - Chief Operating Officer
Mr. L. D. Niyangoda *
Ms. N. T. M. S. Cooray *
Ms. Judy Lee *
Ms. D. L. T. S. Wijewardena *
Dr. S. Selliah *
Mr. D. N. L. Fernando *
Mr. P. M. Kumarasinghe *
Mr. P. Y. S. Perera *
* Independent Non-Executive Director

COMPANY SECRETARY

Mr. R. A. P. Rajapaksha