PAN ASIA BANK
The Truly Sri Lankan Bank

**INTERIM FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31ST DECEMBER 2023**

**COMPANY REGISTRATION NO : PQ 48**

# Press Release

## Pan Asia Bank posts Steady Performance during FY 2023 – Profit before Tax increases by 258% amidst continuing external challenges.

- Net Interest Income for the year Rs. 10,302 Mn, up by 9%
- Net Trading Gains for the year Rs. 1,027 Mn, up by 823%
- Operating Profit for the year Rs. 3,326 Mn, up by 202%
- Profit before Tax for the year Rs. 2,328 Mn, up by 258%
- Total Assets Rs. 233 Bn, grew by 12%
- Customer Deposit base reaches Rs. 175 Bn, grew by 8%
- Net Interest Margin - 4.67%, Return on Assets (Pre-tax) - 1.06%, Return on Equity - 8.62%
- Stage 3 Loan Ratio stands at 4.36%
- The Board of Directors proposed a First and Final Cash Dividend of Rs. 0.25 per share
- The Bank remains well capitalised and liquid:
    - Tier 1 Capital Ratio 16.45% (Regulatory Minimum - 8.50%)
    - Total Capital Ratio 18.52% (Regulatory Minimum - 12.50%)
    - Rupee LCR 520.84%, All Currency LCR 458.18% (Regulatory Minimum - 100%)
    - Statutory Liquid Asset Ratio (SLAR) - 38.55%

Pan Asia Banking Corporation PLC reflected a steady performance amidst multitude of adversities emerging from challenging macro-economic conditions as the Bank reported its financial performance during 2023, which showed judicious portfolio management and prudency exercised in dealing with possible fallout on its asset quality in challenging times. The Bank reported a Pre-tax Profit of Rs. 2,328 Mn for the year ended 31st December 2023, which is 258% increase compared to corresponding period last year, supported by improved net interest income, increased trading gains from government securities and reduced exchange losses.

The Sri Lankan economy has experienced some positive signs of gradual economic recovery and a measure of stability in macro-economic factors compared to the previous year, with the appreciation of LKR against USD and the IMF bailout followed by the Domestic Debt Optimization (DDO) announcement. The models used regarding collective impairment in 2022 were continued in 2023 to ensure that adequate buffers were in place to absorb any potential credit risk that could arise in the future. The allowance for overlays applied in previous year was continued and maintained during 2023 too. Meanwhile, the Bank managed to end the year with healthy credit quality matrices due to improved credit underwriting standards and concerted collection & recovery efforts despite the contraction in the loan book during 2023 which impacted the Bank’s Stage 3 Loan Ratio adversely.

Furthermore, the Bank increased impairment provision buffers held regarding investments in International Sovereign Bonds of Government of Sri Lanka (SLISBs) further during 2023 with the expectation of possible adverse outcomes of the on-going government External Debt Restructuring (EDR) programme. The Bank recognised an impairment charge of nearly Rs. 2 Bn regarding International Sovereign Bonds during 2023.

The interest income for the year 2023 rose by 39% due to the high interest rates that prevailed during the period under review compared to corresponding period of the last year and the re-pricing effect of facilities in response to the market conditions. Further, the growth in interest income was supported by the increased interest income from Rupee denominated securities of the Government of Sri Lanka (T-Bills & Bonds) due to increased investments and high interest rates offered on such new investments compared to the previous year. Also, the interest expense for the year 2023 has also gone up significantly by 56% due to the steep increase in interest rates of deposits and borrowings prevailed during the first half of the year and growth in deposits. Consequently, the net interest income increased by 9% in 2023 compared to the last year.

The Bank’s net fee and commission income declined by 14% during 2023 mainly due to the reduction in fee income generated from loans and advances due to weak demand for credit which resulted from the high interest rate regime and other less conducive macro-economic factors that prevailed specially during the first half of the year 2023.

The net gains from trading increased by 823% during the reporting period due to increased capital gains from sale of T-Bills & Bonds classified under Fair Value through Profit or Loss (FVPL). The phenomenal growth in trading gains on Rupee government securities was negated to some extent by the losses from the SWAP book due to discounts on FX SWAP agreements which was at high premiums in corresponding period last year.

The Bank reported a reduction in other operating losses due to reduced exchange losses due to the appreciation of LKR against USD from Rs. 363 to Rs. 324 during past 12 months which also contributed for the growth in total operating income during 2023.

The increase in personnel expenses is mainly driven by increased allocation for staff bonuses and increased staff salaries and allowances. The increase in other operating expenses of 27% is primarily due to increase in service fees for computer maintenance, business development expenses, card related expenses and increased costs driven increased commodity price costs compared to the last year.

Taxes and levies on financial services have gone up mainly due to the increase in operating profits and the full year effect of Social Security Contribution Levy (SSCL). Income tax expense has increased by 135% due to both increased operating profits and increased tax rates.

The Bank reported a Profit after Tax (PAT) for the year of 2023 of Rs. 1,855 Mn having dropped by 7% compared 2022 since the prior year PAT was positively impacted by a one-off, sizeable, deferred tax reversal although the bank’s operating profitability marked a three-fold figure rise during 2023. The Bank reported an Earnings Per Share (EPS) for the year 2023 of Rs. 4.19. Further, the Board of Directors have proposed a first and final cash dividend of Rs. 0.25 per share.

The Bank reported a Net Interest Margin (NIM) of 4.67% for the year 2023 having fallen marginally. Meanwhile, the Bank reported a Return on Equity (ROE) of 8.62% and a Pre-Tax Return on Assets (ROA) of 1.06% for the year under review. Meanwhile, the Bank’s Net Asset Value Per Share as of 31st December 2023 stood at Rs. 51.06 after an appreciation of 10%.

The Bank’s total assets experienced an increase of 12% mainly driven by the Rupee denominated securities of the Government of Sri Lanka. Meanwhile, the loans and advances book witnessed a contraction of 9% during the year under review due to the contraction in credit exposures because of the Bank’s decision to adopt a cautious lending approach towards sectors/segments which exhibited high stress. In the meantime, supported by the expansion in time deposits, the Bank’s total customer deposits recorded a growth of 8% to reach Rs. 175 Bn as of 31st December 2023.

The Bank's Impaired (Stage 3) Loan Ratio stood at 4.36% and Stage 3 Provision Cover stood at 47.13% as of 31st December 2023. The Bank continued its focused actions towards managing the quality of its loan book by containing NPLs amidst the extremely weakened economic landscape.

The Bank maintains all its capital and liquidity ratios well above the regulatory minimum standards. The Bank's Tier 1 Capital Ratio and Total Capital Ratio as of 31st December 2023 stood at 16.45% and 18.52% respectively. Further, the Bank's Leverage Ratio stood at 7.60% as of 31st December 2023.

The Total Bank Level Statutory Liquid Assets Ratio (SLAR) as of 31st December 2023 stood at 38.55%. Meanwhile, the Bank's Liquidity Coverage Ratio (LCR) under BASEL III stood well above the statutory minimums. The Bank maintained LCR of 458.18% and 520.84% in All Currencies and Rupees respectively.

*Commenting on the Bank's performance, Naleen Edirisinghe, Director and CEO of Pan Asia Bank said, "Our resounding performance for the year 2023 demonstrates that we are well on track to meet our ambitious targets post economic crisis. A growth in PBT of over 250% for year 2023 affirms the efficacy of our strategy which will be accelerated for generating greater earnings from core banking while infusing operational efficiencies. Despite challenging market conditions, Pan Asia Bank leveraged on its spirit of innovation and can-do spirit as one team to deliver this encouraging performance which sets the stage for the coming year".*

Pan Asia Bank rose 5 places in the Business Today's Top 40 business organizations ranking for 2022-2023 based on criteria such as portfolio, profits and risks taken, resilience, passion and how well challenges are met. The Bank was also selected by LMD as one of the 'Most Awarded Entities' and 'Most Respected Entities in Sri Lanka' in 2023. In addition, Pan Asia Bank was bestowed with gold and bronze awards at the Effie 2023 and a Black Dragon Award at the 2023 Dragons of Asia, International adverting Awards.

Recording consistent growth year after year, Pan Asia Bank is strongly positioned as the 'Truly Sri Lankan Bank', marking an illustrious journey that has promoted financial security and fulfilled the aspirations of its customers while supporting the prosperity of the nation.

**In Rupee Thousands**

# Income Statement

| | For the Year ended 31st December | | Change | For the Quarter ended 31st December | | Change |
|---|---|---|---|---|---|---|
| | 2023 (Audited) | 2022 (Audited) | % | 2023 | 2022 | % |
| Interest Income | 37,122,997 | 26,626,159 | 39 | 8,702,699 | 8,326,971 | 5 |
| Interest Expense | (26,820,527) | (17,170,702) | 56 | (5,863,917) | (6,305,106) | (7) |
| **Net Interest Income** | **10,302,470** | **9,455,457** | **9** | **2,838,782** | **2,021,865** | **40** |
| Fee and Commission Income | 1,539,359 | 1,754,921 | (12) | 434,671 | 395,287 | 10 |
| Fee and Commission Expenses | (55,283) | (36,112) | 53 | (14,916) | (8,905) | 67 |
| **Net Fee and Commission Income** | **1,484,076** | **1,718,809** | **(14)** | **419,755** | **386,382** | **9** |
| Net Gains/(Losses) from Trading | 1,026,903 | 111,315 | 823 | (136,693) | (130,749) | (5) |
| Other Operating Income/(Losses) | (276,300) | (2,679,251) | 90 | 212,151 | (427,901) | 150 |
| **Total Operating Income** | **12,537,149** | **8,606,330** | **46** | **3,333,994** | **1,849,597** | **80** |
| Impairment Charges | 3,155,102 | 2,860,555 | 10 | 1,246,580 | 470,172 | 165 |
| **Net Operating Income** | **9,382,046** | **5,745,775** | **63** | **2,087,414** | **1,379,426** | **51** |
| **Operating Expenses** | | | | | | |
| Personnel Expenses | 2,660,113 | 1,893,676 | 40 | 756,134 | 529,938 | 43 |
| Depreciation and Amortisation | 513,133 | 481,488 | 7 | 143,848 | 99,861 | 44 |
| Other Operating Expenses | 2,883,132 | 2,268,856 | 27 | 788,903 | 624,638 | 26 |
| **Total Operating Expenses** | **6,056,378** | **4,644,020** | **30** | **1,688,885** | **1,254,437** | **35** |
| **Operating Profit before Taxes on Financial Services** | **3,325,669** | **1,101,755** | **202** | **398,530** | **124,989** | **219** |
| Taxes and Levies on Financial Services | 997,323 | 451,902 | 121 | 187,165 | 101,159 | 85 |
| **Profit before Tax** | **2,328,346** | **649,853** | **258** | **211,365** | **23,829** | **787** |
| Income Tax /(Reversal) | 473,381 | (1,352,087) | 135 | (401,167) | (1,545,250) | 74 |
| **Profit for the Period** | **1,854,965** | **2,001,940** | **(7)** | **612,532** | **1,569,079** | **(61)** |
| Earnings Per Share - Basic/Diluted (Rs.) | 4.19 | 4.52 | (7) | 1.38 | 3.55 | (61) |

In Rupee Thousands

## Statement of Comprehensive Income

| | For the Year ended 31st December | | Change | For the Quarter ended 31st December | | Change |
|---|---|---|---|---|---|---|
| | 2023 (Audited) | 2022 (Audited) | % | 2023 | 2022 | % |
| **Profit for the Period** | **1,854,965** | **2,001,940** | (7) | **612,532** | **1,569,079** | (61) |
| **Other Comprehensive Income for the Period** | | | | | | |
| **Other Comprehensive Income Not to be Re-classified to Profit or Loss** | | | | | | |
| Revaluation Surplus on Property, Plant and Equipment | 179,377 | 243,809 | (26) | 179,377 | 243,809 | (26) |
| Deferred Tax Effect on Above | (53,813) | (73,142) | (26) | (53,813) | (73,142) | (26) |
| | **125,564** | **170,667** | (26) | **125,564** | **170,667** | (26) |
| Actuarial Gains/(Losses) on Defined Benefit Plan | 820 | (44,103) | 102 | 820 | (44,103) | 102 |
| Deferred Tax Effect on Above | (246) | 13,231 | (102) | (246) | 13,231 | (102) |
| | **574** | **(30,872)** | 102 | **574** | **(30,872)** | 102 |
| Deferred Tax Effect on Revision of Statutory Income Tax Rate | - | (78,695) | 100 | - | (78,695) | 100 |
| | **-** | **(78,695)** | 100 | **-** | **(78,695)** | 100 |
| **Other Comprehensive Income for the Period** | **126,138** | **61,100** | 106 | **126,138** | **61,100** | 106 |
| **Total Comprehensive Income for the Period** | **1,981,103** | **2,063,040** | (4) | **738,670** | **1,630,178** | (55) |

**In Rupee Thousands**

## Statement of Financial Position

| | As at 31/12/2023 (Audited) | As at 31/12/2022 (Audited) | Change % |
|---|---|---|---|
| **Assets** | | | |
| Cash and Cash Equivalents | 6,238,153 | 5,374,284 | 16 |
| Balances with Central Bank of Sri Lanka | 2,909,271 | 5,308,803 | (45) |
| Reverse Repurchase Agreements | - | 2,003,276 | (100) |
| Derivative Financial Instruments | 26,238 | - | 100 |
| Financial Assets at Fair Value through Profit or Loss | 4,277,569 | 2,239,757 | 91 |
| Financial Assets at Amortised Cost | | | |
| -Loans and Advances | 131,296,112 | 144,148,110 | (9) |
| -Debt and Other Instruments | 80,216,838 | 40,195,048 | 100 |
| Financial Assets at Fair Value through Other Comprehensive Income | 3,752 | 3,752 | - |
| Property, Plant and Equipment | 2,806,066 | 2,586,149 | 9 |
| Right-of-Use Assets | 1,399,766 | 1,593,986 | (12) |
| Intangible Assets | 321,561 | 340,049 | (5) |
| Deferred Tax Assets | 2,128,428 | 1,759,444 | 21 |
| Other Assets | 1,832,569 | 2,496,454 | (27) |
| **Total Assets** | **233,456,323** | **208,049,112** | **12** |
| | | | |
| **Liabilities** | | | |
| Due to Banks | 1,547,695 | 1,068,126 | 45 |
| Repurchase Agreements | 11,611,454 | 40,526 | 28,552 |
| Derivative Financial Instruments | 142,069 | 56,097 | 153 |
| Financial Liabilities at Amortised Cost | | | |
| -Due to Depositors | 175,344,870 | 162,533,459 | 8 |
| -Due to Debt Securities Holders | 13,051,593 | 15,876,464 | (18) |
| Subordinated Debentures | 872,839 | 872,839 | - |
| Retirement Benefit Obligations | 505,946 | 470,378 | 8 |
| Current Tax Liabilities | 2,609,963 | 1,751,180 | 49 |
| Other Provisions and Accruals | 536,138 | 174,576 | 207 |
| Other Liabilities | 4,636,105 | 4,588,920 | 1 |
| **Total Liabilities** | **210,858,672** | **187,432,564** | **12** |
| | | | |
| **Equity** | | | |
| Stated Capital | 3,614,253 | 3,614,253 | - |
| Statutory Reserve Fund | 987,738 | 894,990 | 10 |
| Retained Earnings | 16,794,390 | 15,018,525 | 12 |
| Revaluation Reserve | 1,201,270 | 1,088,780 | 10 |
| **Total Equity** | **22,597,651** | **20,616,548** | 10 |
| **Total Equity and Liabilities** | **233,456,323** | **208,049,112** | **12** |
| | | | |
| **Commitments and Contingencies** | **49,081,753** | **37,495,330** | **31** |
| | | | |
| **Net Asset Value per Share (Rs.)** | **51.06** | **46.58** | **10** |
| | | | |
| **Memorandum Information** | | | |
| Number of Employees | 1,469 | 1,403 | |
| Number of Branches | 85 | 85 | |

**CERTIFICATION:**

I certify that the above Financial Statements comply with the requirements of the Companies Act No. 07 of 2007.

(Sgd)
**M.D.J.S. Fernando**
Chief Financial Officer

We, the undersigned, being the Chairman and Director/Chief Executive Officer of Pan Asia Banking Corporation PLC, certify jointly that;

(a) the above Financial Statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka;
(b) the information contained in these Financial Statements have been extracted from the Audited Financial Statements of the Bank.

(Sgd)
**M.Y.A. Perera**
Chairman

(Sgd)
**E.M.N. Edirisinghe**
Director/Chief Executive Officer

16th February 2024
Colombo

In Rupee Thousands

# Statement of Changes In Equity (Audited)

| | Stated Capital* | | Reserves | | | Total |
|---|---|---|---|---|---|---|
| | Ordinary Voting Shares | Ordinary Non-Voting Shares | Statutory Reserve Fund | Revaluation Reserve | Retained Earnings | |
| **Balance as at 01/01/2022** | 3,614,253 | - | 794,893 | 1,006,465 | 13,137,897 | 18,553,508 |
| **Total Comprehensive Income for the Year** | | | | | | |
| Profit for the Year | - | - | - | - | 2,001,940 | 2,001,940 |
| Other Comprehensive Income for the Year | - | - | - | 91,972 | (30,872) | 61,100 |
| **Total Comprehensive Income for the Year** | **-** | **-** | **-** | **91,972** | **1,971,068** | **2,063,040** |
| **Transactions with Equity Holders, Recognised Directly in Equity, Contribution by and Distribution to Equity Holders** | - | - | - | - | - | - |
| **Other Transactions** | | | | | | |
| Transfer to Statutory Reserve Fund | - | - | 100,097 | - | (100,097) | - |
| Realisation of Revaluation Reserve | - | - | - | (9,657) | 9,657 | - |
| **Total Other Transactions** | **-** | **-** | **100,097** | **(9,657)** | **(90,440)** | **-** |
| **Balance as at 31/12/2022** | **3,614,253** | **-** | **894,990** | **1,088,780** | **15,018,525** | **20,616,548** |
| **Balance as at 01/01/2023** | 3,614,253 | - | 894,990 | 1,088,780 | 15,018,525 | 20,616,548 |
| **Total Comprehensive Income for the Year** | | | | | | |
| Profit for the Year | - | - | - | - | 1,854,965 | 1,854,965 |
| Other Comprehensive Income for the Year | - | - | - | 125,564 | 574 | 126,138 |
| **Total Comprehensive Income for the Year** | **-** | **-** | **-** | **125,564** | **1,855,539** | **1,981,103** |
| **Transactions with Equity Holders, Recognised Directly in Equity, Contribution by and Distribution to Equity Holders** | - | - | - | - | - | - |
| **Other Transctions** | | | | | | |
| Transfer to Statutory Reserve Fund | - | - | 92,748 | - | (92,748) | - |
| Realisation of Revaluation Reserve | - | - | - | (13,074) | 13,074 | - |
| **Total Other Transactions** | **-** | **-** | **92,748** | **(13,074)** | **(79,674)** | **-** |
| **Balance as at 31/12/2023** | **3,614,253** | **-** | **987,738** | **1,201,270** | **16,794,390** | **22,597,651** |

* Number of Ordinary Shares (Voting) as at 31st December 2023 - 442,561,629

**In Rupee Thousands**

# Statement of Cash Flows

| | Current Year<br>From 01/01/2023<br>To 31/12/2023<br>(Audited) | Previous Year<br>From 01/01/2022<br>To 31/12/2022<br>(Audited) |
|---|---|---|
| **Cash Flows from Operating Activities** | | |
| Profit before Tax | 2,328,346 | 649,853 |
| ***Adjustments for:*** | | |
| Non-Cash Items Included in Profit before Tax | 3,800,268 | 3,433,278 |
| Change in Operating Assets | (27,446,698) | (16,418,820) |
| Change in Operating Liabilities | 24,279,405 | 19,370,634 |
| Interest Expense on Subordinated Debentures and Other Term Borrowings | 1,334,289 | 1,223,774 |
| Interest Expense on Lease Liabilities | 134,151 | 125,773 |
| Gratuity Paid | (94,349) | (40,508) |
| Income Tax Paid | (37,642) | (166,003) |
| **Net Cash Flows from Operating Activities** | **4,297,770** | **8,177,981** |
| | | |
| **Cash Flows from Investing Activities** | | |
| Purchase of Property, Plant and Equipment | (197,019) | (151,898) |
| Proceeds from the Sale of Property, Plant and Equipment | 72 | 168 |
| Acquisition of Intangible Assets | (39,232) | (72,914) |
| **Net Cash Flows used in Investing Activities** | **(236,180)** | **(224,644)** |
| | | |
| **Cash Flows from Financing Activities** | | |
| Repayment of Term Borrowings | (1,484,212) | (3,288,829) |
| Interest Paid on Subordinated Debentures and Other Term Borrowings | (1,367,000) | (1,157,243) |
| Repayment of Principal Portion of Lease Liabilities | (229,955) | (212,750) |
| Interest Paid on Lease Liabilities | (134,151) | (125,773) |
| **Net Cash Flows used in Financing Activities** | **(3,215,319)** | **(4,784,595)** |
| | | |
| **Net Increase in Cash & Cash Equivalents** | **846,270** | **3,168,742** |
| Cash and Cash Equivalents at the Beginning of the Year | 5,394,118 | 2,225,376 |
| **Cash and Cash Equivalents at the End of the Year** | **6,240,388** | **5,394,118** |

In Rupee Thousands

## Measurement of Financial Instruments

| As at 31/12/2023 (Audited) | Financial Assets at FVPL | Financial Assets at FVOCI | Financial Assets and Liabilities at Amortised Cost | Derivative Financial Instruments at Fair Value | Total |
|---|---|---|---|---|---|
| **Financial Assets** | | | | | |
| Cash and Cash Equivalents | - | - | 6,238,153 | - | 6,238,153 |
| Balances with Central Bank of Sri Lanka | - | - | 2,909,271 | - | 2,909,271 |
| Derivative Financial Instruments | - | - | - | 26,238 | 26,238 |
| Financial Assets at Fair Value through Profit or Loss (FVPL) | 4,277,569 | - | - | - | 4,277,569 |
| Financial Assets at Amortised Cost - Loans and Advances | - | - | 131,296,112 | - | 131,296,112 |
| Financial Assets at Amortised Cost - Debt and Other Instruments | - | - | 80,216,838 | - | 80,216,838 |
| Financial Assets at Fair Value through Other Comprehensive Income (FVOCI) | - | 3,752 | - | - | 3,752 |
| **Total Financial Assets** | **4,277,569** | **3,752** | **220,660,372** | **26,238** | **224,967,931** |
| | | | | | |
| **Financial Liabilities** | | | | | |
| Due to Banks | - | - | 1,547,695 | - | 1,547,695 |
| Repurchase Agreements | - | - | 11,611,454 | - | 11,611,454 |
| Derivative Financial Instruments | - | - | - | 142,069 | 142,069 |
| Due to Depositors | - | - | 175,344,870 | - | 175,344,870 |
| Due to Debt Securities Holders | - | - | 13,051,593 | - | 13,051,593 |
| Subordinated Debentures | - | - | 872,839 | - | 872,839 |
| Other Liabilities | - | - | 1,653,382 | - | 1,653,382 |
| **Total Financial Liabilities** | **-** | **-** | **204,081,833** | **142,069** | **204,223,902** |

In Rupee Thousands

## Measurement of Financial Instruments

| As at 31/12/2022 (Audited) | Financial Assets at FVPL | Financial Assets at FVOCI | Financial Assets and Liabilities at Amortised Cost | Derivative Financial Instruments at Fair Value | Total |
|---|---|---|---|---|---|
| **Financial Assets** | | | | | |
| Cash and Cash Equivalents | - | - | 5,374,284 | - | 5,374,284 |
| Balances with Central Bank of Sri Lanka | - | - | 5,308,803 | - | 5,308,803 |
| Reverse Repurchase Agreements | - | - | 2,003,276 | - | 2,003,276 |
| Financial Assets at Fair Value through Profit or Loss (FVPL) | 2,239,757 | - | - | - | 2,239,757 |
| Financial Assets at Amortised Cost - Loans and Advances | - | - | 144,148,110 | - | 144,148,110 |
| Financial Assets at Amortised Cost - Debt and Other Instruments | - | - | 40,195,048 | - | 40,195,048 |
| Financial Assets at Fair Value through Other Comprehensive Income (FVOCI) | - | 3,752 | - | - | 3,752 |
| **Total Financial Assets** | **2,239,757** | **3,752** | **197,029,521** | **-** | **199,273,030** |
| | | | | | |
| **Financial Liabilities** | | | | | |
| Due to Banks | - | - | 1,068,126 | - | 1,068,126 |
| Repurchase Agreements | - | - | 40,526 | - | 40,526 |
| Derivative Financial Instruments | - | - | - | 56,097 | 56,097 |
| Due to Depositors | - | - | 162,533,459 | - | 162,533,459 |
| Due to Debt Securities Holders | - | - | 15,876,464 | - | 15,876,464 |
| Subordinated Debentures | - | - | 872,839 | - | 872,839 |
| Other Liabilities | - | - | 1,759,889 | - | 1,759,889 |
| **Total Financial Liabilities** | **-** | **-** | **182,151,303** | **56,097** | **182,207,400** |

# Notes to the Financial Statements

**1. Analysis of Loans and Advances and Impairment**

**1.1 Stage Wise Impairment on Loans and Advances** — **In Rupee Thousands**

| | As at 31/12/2023 (Audited) | As at 31/12/2022 (Audited) |
|---|---|---|
| **Gross Loans and Advances (Note 1.2)** | 139,885,756 | 154,079,309 |
| Less: Accumulated Impairment under Stage 1 (Note 1.3) | (981,329) | (1,129,765) |
| Accumulated Impairment under Stage 2 (Note 1.3) | (1,672,898) | (1,897,450) |
| Accumulated Impairment under Stage 3 (Note 1.3) | (5,935,417) | (6,903,984) |
| **Net Loans and Advances** | **131,296,112** | **144,148,110** |

**1.2 Loans and Advances - By Product** — **In Rupee Thousands**

| | As at 31/12/2023 (Audited) | As at 31/12/2022 (Audited) |
|---|---|---|
| **Domestic Currency** | | |
| Term Loans | 92,190,280 | 93,305,983 |
| Overdraft | 12,550,274 | 13,860,235 |
| Trade Finance | 1,144,642 | 382,950 |
| Lease Rentals Receivable | 9,140,396 | 8,954,624 |
| Pawning and Gold Loans | 14,339,050 | 23,817,255 |
| Credit Cards | 4,781,099 | 4,670,387 |
| Others | 1,399,902 | 1,737,013 |
| **Sub Total** | **135,545,643** | **146,728,447** |
| **Foreign Currency** | | |
| Term Loans | 3,285,645 | 4,539,880 |
| Overdraft | 104,401 | 486,391 |
| Trade Finance | 950,067 | 2,324,591 |
| **Sub Total** | **4,340,113** | **7,350,862** |
| **Total** | **139,885,756** | **154,079,309** |

**1.3 Movement of Impairment During the Year - Loans and Advances** — **In Rupee Thousands**

| | As at 31/12/2023 (Audited) | As at 31/12/2022 (Audited) |
|---|---|---|
| **Under Stage 1** | | |
| Opening Balance as at 1st January | 1,129,765 | 1,208,740 |
| Charge/(Reversal) to Income Statement | (148,436) | (78,975) |
| **Closing Balance as at 31st December** | **981,329** | **1,129,765** |
| **Under Stage 2** | | |
| Opening Balance as at 1st January | 1,897,450 | 1,671,499 |
| Charge/(Reversal) to Income Statement | (224,552) | (487,474) |
| Exchange Rate Variance on Foreign Currency Provisions | - | 713,425 |
| **Closing Balance as at 31st December** | **1,672,898** | **1,897,450** |
| **Under Stage 3** | | |
| Opening Balance as at 1st January | 6,903,984 | 5,434,628 |
| Charge/(Reversal) to Income Statement | 1,746,818 | 1,704,025 |
| Write-off During the Year | (2,602,167) | (954,039) |
| Exchange Rate Variance on Foreign Currency Provisions | (113,218) | 719,370 |
| **Closing Balance as at 31st December** | **5,935,417** | **6,903,984** |
| **Total Impairment - Closing Balance as at 31st December** | **8,589,644** | **9,931,199** |

# Notes to the Financial Statements

## 2. Analysis of Commitments and Contingencies

### 2.1 Stage Wise Impairment on Commitments and Contingencies

In Rupee Thousands

| | As at 31/12/2023 (Audited) | As at 31/12/2022 (Audited) |
|---|---|---|
| **Gross Commitments and Contingencies** | 49,081,753 | 37,495,330 |
| Less: Accumulated Impairment under Stage 1 (Note 3) | (109,340) | (110,109) |
| | **48,972,413** | **37,385,221** |

### 2.2 Commitments and Contingencies - By Product

In Rupee Thousands

| | As at 31/12/2023 (Audited) | As at 31/12/2022 (Audited) |
|---|---|---|
| **Domestic Currency** | | |
| Guarantees | 4,265,126 | 3,895,505 |
| Documentary Credit | 116,462 | 94,963 |
| Currency Swaps | 11,320,380 | 9,672,634 |
| Undrawn Credit Commitments | 13,658,659 | 11,727,082 |
| **Sub Total** | **29,360,626** | **25,390,184** |
| **Foreign Currency** | | |
| Guarantees | 601,423 | 778,612 |
| Documentary Credit | 1,547,963 | 1,158,915 |
| Currency Swaps | 17,164,472 | 9,759,762 |
| Undrawn Credit Commitments | 407,269 | 407,857 |
| **Sub Total** | **19,721,126** | **12,105,146** |
| **Total** | **49,081,753** | **37,495,330** |

## 3. Movement of Impairment During the Year - Other Financial Instruments

In Rupee Thousands

| | Cash & Cash Equivalents | Debt & Other Instruments | Documentary Credit | Financial Guarantees | Total |
|---|---|---|---|---|---|
| Opening Balance as at 01/01/2022 (Audited) | 7,284 | 1,088,178 | 14,258 | 30,522 | **1,140,242** |
| Charge/(Reversal) to Income Statement | 12,550 | 1,645,100 | 9,861 | 55,468 | **1,722,979** |
| Exchange Rate Variance on Foreign Currency Provisions | - | 2,155,790 | - | - | **2,155,790** |
| Closing Balance as at 31/12/2022 (Audited) | **19,834** | **4,889,068** | **24,119** | **85,990** | **5,019,011** |
| Opening Balance as at 01/01/2023 (Audited) | 19,834 | 4,889,068 | 24,119 | 85,990 | **5,019,011** |
| Charge/(Reversal) to Income Statement | (17,599) | 1,799,642 | 5,597 | (6,367) | **1,781,273** |
| Exchange Rate Variance on Foreign Currency Provisions | - | (292,081) | - | - | **(292,081)** |
| Closing Balance as at 31/12/2023 (Audited) | **2,235** | **6,396,629** | **29,716** | **79,623** | **6,508,203** |

**3.1** Impairment provisions on 'Debt and Other Instruments' include provisions made on foreign currency denominated debt instruments of the Government of Sri Lanka.

## 4. Analysis of Deposits - By Product

In Rupee Thousands

| | As at 31/12/2023 (Audited) | As at 31/12/2022 (Audited) |
|---|---|---|
| **Domestic Currency** | | |
| Demand Deposits | 5,842,489 | 6,339,723 |
| Savings Deposits | 22,694,924 | 18,889,217 |
| Fixed Deposits | 128,124,295 | 116,441,822 |
| Certificates of Deposits | 1,206,540 | 1,135,753 |
| Margin Deposits | 227,860 | 178,201 |
| **Sub Total** | **158,096,108** | **142,984,716** |
| **Foreign Currency** | | |
| Demand Deposits | 663,653 | 1,850,889 |
| Savings Deposits | 2,394,873 | 3,238,186 |
| Fixed Deposits | 14,087,257 | 14,327,901 |
| Margin Deposits | 102,979 | 131,767 |
| **Sub Total** | **17,248,762** | **19,548,743** |
| **Total** | **175,344,870** | **162,533,459** |

## 5. Fair Value of Financial Instruments

### 5.1 Financial Instruments Recorded at Fair Value

The following is a description of how fair values are determined for financial instruments that are recorded at fair value using valuation techniques. These incorporate the Bank's estimate of assumptions that a market participant would make when valuing the instruments.

**(a) Derivatives**

Derivative products valued with market-observable inputs are mainly currency swaps and forward foreign exchange contracts. The most frequently applied valuation techniques include forward exchange spot and forward premiums.

**(b) Financial Assets at Fair Value through Other Comprehensive Income**

Financial Assets at Fair Value through Other Comprehensive Income are valued using valuation techniques or pricing models primarily consist of unquoted equities.

**(c) Financial Assets at Fair Value through Profit or Loss**

Quoted Equities and Sri Lanka Government Securities are included in Financial Assets at Fair Value through Profit or Loss. Sri Lanka Government Securities are valued using yeild curves published by Central Bank of Sri Lanka. The Bank uses quoted market prices in the active market as at the reporting date, for Quoted Equities.

### 5.2 Determination of Fair Value and Fair Value Hierarchy

The Bank uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

**Level 1**: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

**Level 2**: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

**Level 3**: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

**a)** The following table shows an analysis of financial instruments and non-financial assets and liabilities recorded at fair value by level of fair value hierarchy.

| | | | | **In Rupee Thousands** |
|---|---|---|---|---|
| **As at 31st December 2023** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Financial Assets** | | | | |
| Derivative Financial Instruments | - | 26,238 | - | 26,238 |
| Financial Assets at FVPL | | | | |
| - Sri Lanka Government Rupee Securities - Treasury Bills and Bonds | 4,277,569 | - | - | 4,277,569 |
| Financial Assets at FVOCI | - | 3,752 | - | 3,752 |
| **Total** | **4,277,569** | **29,990** | **-** | **4,307,559** |
| **Non-Financial Assets** | | | | |
| Land - Revalued | - | - | 1,616,000 | 1,616,000 |
| Building - Revalued | - | - | 647,976 | 647,976 |
| **Total** | **-** | **-** | **2,263,976** | **2,263,976** |
| **Financial Liabilities** | | | | |
| Derivative Financial Instruments | - | 142,069 | - | 142,069 |
| **Total** | **-** | **142,069** | **-** | **142,069** |

| | | | | In Rupee Thousands |
|---|---|---|---|---|
| **As at 31st December 2022** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Financial Assets** | | | | |
| Financial Assets at FVPL | | | | |
| - Sri Lanka Government Rupee Securities - Treasury Bills and Bonds | 2,239,757 | - | - | 2,239,757 |
| Financial Assets at FVOCI | - | 3,752 | - | 3,752 |
| **Total** | **2,239,757** | **3,752** | **-** | **2,243,509** |
| **Non-Financial Assets** | | | | |
| Land - Revalued | - | - | 1,520,000 | 1,520,000 |
| Building - Revalued | - | - | 590,000 | 590,000 |
| **Total** | **-** | **-** | **2,110,000** | **2,110,000** |
| **Financial Liabilities** | | | | |
| Derivative Financial Instruments | - | 56,097 | - | 56,097 |
| **Total** | **-** | **56,097** | **-** | **56,097** |

**b)** The following table shows the fair value gains/(losses) recognised in Profit or Loss during the year relating to Financial Assets and Liabilities at FVPL held at the year end.

| | | In Rupee Thousands |
|---|---|---|
| | **2023** | **2022** |
| Derivative Financial Instruments | (59,733) | (60,656) |
| Financial Assets at FVPL | | |
| - Sri Lanka Government Rupee Securities - Treasury Bills and Bonds | 116,693 | 8,459 |
| **Total** | **56,960** | **(52,197)** |

### 5.3 Fair Value of Financial Assets and Liabilities Not Carried at Fair Value

The following describes the methodologies and assumptions used to determine fair values for those financial instruments which are not already recorded at fair value in the Financial Statements.

**Assets for which Fair Value Approximates Carrying Value**

For financial assets and financial liabilities that have a short term maturity, it is assumed that the carrying value approximates their fair values. This assumption is applied for Cash and Cash Equivalents, Balances with Central Bank of Sri Lanka and Reverse Repurchased Agreements. This assumption is also applied to Call Money Borrowings, Balances with Foreign Banks, Repurchase Agreements, Demand Deposits, Margin Deposits, Savings Accounts without a specific maturity, floating rate instruments and fixed rate instrumemts having maturities within 12 months.

**Fixed Rate Financial Instruments**

The fair value of fixed rate financial assets and liabilities (other than assets and liabilities with maturities within 12 months) carried at amortised cost are estimated by comparing market interest rates when they were first recognised with current market rates for similar financial instruments.

Set out below is a comparison, by class, of the carrying value and fair values of the Bank's financial instruments that are not carried at fair value in the Financial Statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

| | | | | **In Rupee Thousands** |
|---|---|---|---|---|
| **As at 31st December** | **2023** | | **2022** | |
| | **Carrying Value** | **Fair Value** | **Carrying Value** | **Fair Value** |
| **Financial Assets** | | | | |
| Cash and Cash Equivalents | 6,238,153 | 6,238,153 | 5,374,284 | 5,374,284 |
| Balances with Central Bank of Sri Lanka | 2,909,271 | 2,909,271 | 5,308,803 | 5,308,803 |
| Reverse Repurchase Agreements | - | - | 2,003,276 | 2,003,276 |
| Loans and Advances - at Amortised Cost | 131,296,112 | 131,173,599 | 144,148,110 | 142,233,393 |
| Debt and Other Instruments - at Amortised Cost | 80,216,838 | 80,420,231 | 40,195,048 | 34,734,728 |
| **Total Financial Assets** | **220,660,372** | **220,741,253** | **197,029,521** | **189,654,484** |
| **Financial Liabilities** | | | | |
| Due to Banks | 1,547,695 | 1,547,695 | 1,068,126 | 1,068,126 |
| Repurchase Agreements | 11,611,454 | 11,611,454 | 40,526 | 40,526 |
| Due to Depositors - at Amortised Cost | 175,344,870 | 176,920,669 | 162,533,459 | 161,503,186 |
| Due to Debt Securities Holders - at Amortised Cost | 13,051,593 | 13,051,593 | 15,876,464 | 15,326,027 |
| Subordinated Debentures | 872,839 | 861,420 | 872,839 | 668,896 |
| Other Liabilities | 1,653,382 | 1,494,026 | 1,759,889 | 1,450,865 |
| **Total Financial Liabilities** | **204,081,833** | **205,486,858** | **182,151,303** | **180,057,626** |

# Notes to the Financial Statements

**6 Segment Reporting**

| For the Year ended 31st December | | | | In Rupee Thousands |
|---|---|---|---|---|
| | 2023 | | | |
| | **Retail & SME Banking** | **Corporate Banking** | **Treasury and Investments** | **Total** |
| **Gross Income** | | | | |
| Third Party | 23,784,807 | 3,044,008 | 12,584,144 | 39,412,959 |
| Inter-Segment | 9,460,217 | (1,062,361) | (8,397,856) | - |
| **Total Income** | **33,245,025** | **1,981,647** | **4,186,289** | **39,412,959** |
| **Extract of Results** | | | | |
| Interest Income | 22,304,893 | 2,855,945 | 11,962,159 | 37,122,997 |
| Interest Expense | (24,401,862) | (1,509,095) | (909,570) | (26,820,527) |
| Inter - Segment | 9,460,217 | (1,062,361) | (8,397,856) | - |
| **Net Interest Income** | **7,363,248** | **284,489** | **2,654,733** | **10,302,470** |
| Fees and Commission Income | 1,449,971 | 89,388 | - | 1,539,359 |
| Fees and Commission Expenses | (17,349) | - | (37,934) | (55,283) |
| **Net Fee and Commission Income** | **1,432,622** | **89,388** | **(37,934)** | **1,484,076** |
| Net Gains from Trading | 524 | - | 1,026,379 | 1,026,903 |
| Other Operating Income/(Losses) | 29,419 | 98,675 | (404,394) | (276,300) |
| **Total Operating Income/(Losses)** | **8,825,813** | **472,553** | **3,238,784** | **12,537,149** |
| Impairment Charges | (916,986) | (456,073) | (1,782,043) | (3,155,102) |
| **Net Operating Income** | **7,908,827** | **16,479** | **1,456,741** | **9,382,047** |
| Depreciation of Property, Plant and Equipment | 153,091 | 133 | 1,887 | 155,111 |
| Amortisation of Intangible Assets | 53,783 | - | 3,937 | 57,720 |
| **Segment Result** | **7,701,952** | **16,345** | **1,450,917** | **9,169,216** |
| Un-allocated Expenses | | | | 5,843,547 |
| **Operating Profit before Taxes on Financial Services** | | | | **3,325,669** |
| Taxes and Levies on Financial Services | | | | 997,323 |
| **Profit before Tax** | | | | **2,328,346** |
| Income Tax Expense | | | | 473,381 |
| **Profit for the Year** | | | | **1,854,965** |
| **Other Comprehensive Income for the Year** | | | | **126,138** |
| **Total Comprehensive Income for the Year** | | | | **1,981,103** |
| **Capital Expenditure** | | | | |
| Property, Plant and Equipment | 197,019 | - | - | 197,019 |
| Intangible Assets | 39,232 | - | - | 39,232 |
| **As at 31st December** | | | | |
| **Segment Assets** | 119,333,524 | 16,438,648 | 84,574,000 | 220,346,172 |
| Unallocated Assets | - | - | - | 13,110,151 |
| **Total Assets** | **119,333,524** | **16,438,648** | **84,574,000** | **233,456,323** |
| **Segment Liabilities** | 165,281,462 | 11,631,814 | 25,657,244 | 202,570,520 |
| Unallocated Liabilities and Equity | - | - | - | 30,885,803 |
| **Total Liabilities and Equity** | **165,281,462** | **11,631,814** | **25,657,244** | **233,456,323** |

# Notes to the Financial Statements

**6 Segment Reporting**

| For the Year ended 31st December | 2022 | | | In Rupee Thousands |
|---|---|---|---|---|
| | **Retail & SME Banking** | **Corporate Banking** | **Treasury and Investments** | **Total** |
| **Gross Income** | | | | |
| Third Party | 21,072,260 | 2,441,909 | 2,298,975 | 25,813,144 |
| Inter-Segment | 4,063,634 | (845,256) | (3,218,380) | - |
| **Total Income/(Losses)** | **25,135,894** | **1,596,653** | **(919,405)** | **25,813,144** |
| **Extract of Results** | | | | |
| Interest Income | 19,877,249 | 2,646,494 | 4,102,416 | 26,626,159 |
| Interest Expense | (15,175,848) | (1,484,456) | (510,398) | (17,170,702) |
| Inter - Segment | 4,063,634 | (845,256) | (3,218,380) | - |
| **Net Interest Income/(Expenses)** | **8,765,035** | **316,782** | **373,638** | **9,455,457** |
| Fees and Commission Income | 1,601,175 | 153,746 | - | 1,754,921 |
| Fees and Commission Expenses | (30,554) | - | (5,558) | (36,112) |
| **Net Fee and Commission Income** | **1,570,621** | **153,746** | **(5,558)** | **1,718,809** |
| Net Gains from Trading | - | - | 111,315 | 111,315 |
| Other Operating Losses | (406,162) | (358,332) | (1,914,757) | (2,679,251) |
| **Total Operating Income/(Losses)** | **9,929,494** | **112,197** | **(1,435,362)** | **8,606,330** |
| Impairment Charges | (1,210,423) | 14,803 | (1,664,935) | (2,860,555) |
| **Net Operating Income/(Losses)** | **8,719,071** | **126,999** | **(3,100,297)** | **5,745,775** |
| Depreciation of Property, Plant and Equipment | 143,128 | 209 | 577 | 143,915 |
| Amortisation of Intangible Assets | 49,419 | - | 4,309 | 53,728 |
| **Segment Result** | **8,526,524** | **126,790** | **(3,105,183)** | **5,548,132** |
| Un-allocated Expenses | | | | 4,446,377 |
| **Operating Profit before Taxes on Financial Services** | | | | **1,101,755** |
| Taxes and Levies on Financial Services | | | | 451,902 |
| **Profit before Tax** | | | | **649,853** |
| Income Tax Expense/(Reversal) | | | | (1,352,087) |
| **Profit for the Year** | | | | **2,001,940** |
| **Other Comprehensive Income for the Year** | | | | 61,100 |
| **Total Comprehensive Income for the Year** | | | | **2,063,040** |
| **Capital Expenditure** | | | | |
| Property, Plant and Equipment | 151,822 | 56 | 20 | 151,898 |
| Intangible Assets | 72,914 | - | - | 72,914 |
| **As at 31st December** | | | | |
| **Segment Assets** | 134,730,323 | 13,885,919 | 45,801,784 | 194,418,026 |
| Unallocated Assets | - | - | - | 13,631,086 |
| **Total Assets** | **134,730,323** | **13,885,919** | **45,801,784** | **208,049,112** |
| **Segment Liabilities** | 163,084,054 | 10,383,164 | 6,980,294 | 180,447,512 |
| Unallocated Liabilities and Equity | - | - | - | 27,601,600 |
| **Total Liabilities and Equity** | **163,084,054** | **10,383,164** | **6,980,294** | **208,049,112** |

| Selected Performance Indicators (As per Regulatory Reporting) | | |
|---|---|---|
| | Bank | |
| | Current Year As at 31/12/2023 | Previous Year As at 31/12/2022 |
| **Regulatory Capital (LKR '000)** | | |
| Common Equity Tier I (CET I) Capital before Adjustments | 21,235,203 | 19,477,806 |
| Common Equity Tier I (CET I) Capital after Adjustments | 18,785,214 | 17,378,312 |
| Total Tier 1 Capital | 18,785,214 | 17,378,312 |
| Total Capital | 21,155,676 | 19,818,150 |
| **Regulatory Capital Ratios (%)** | | |
| Common Equity Tier 1 Capital Ratio (Minimum Requirement - 7%) | 16.45% | 14.09% |
| Tier 1 Capital Ratio (Minimum Requirement - 8.5%) | 16.45% | 14.09% |
| Total Capital Ratio (Minimum Requirement - 12.5%) | 18.52% | 16.07% |
| **Leverage Ratio** | | |
| Leverage Ratio (%) (Minimum Requirement - 3%) | 7.60% | 8.21% |
| **Asset Quality** | | |
| Stage 3 Loans (Impaired Loans) to Total Loans* | 4.36% | 3.63% |
| Stage 3 Loan Impairment to Stage 3 Loans (Stage 3 Provision Cover)* | 47.13% | 53.11% |
| **Profitability** | | |
| Interest Margin, % | 4.67% | 4.70% |
| Return on Assets (Before Tax), % | 1.06% | 0.32% |
| Return on Equity, % | 8.62% | 10.58% |
| **Regulatory Liquidity** | | |
| Statutory Liquid Assets | | |
| Total Bank (LKR'000) | 76,120,892 | 39,717,442 |
| Statutory Liquid Assets Ratio,% (Minimum Requirement, 20%) | | |
| Total Bank (%) | 38.55% | 21.60% |
| Total Stock of High-Quality Liquid Assets (LKR '000) | | |
| Rupee | 68,598,119 | 27,717,512 |
| All Currency | 72,903,051 | 30,728,149 |
| Liquidity Coverage Ratio (%) - (Minimum Requirement - 2023 - 100%, 2022 - 90%) | | |
| Rupee (%) | 520.84% | 253.11% |
| All Currency (%) | 458.18% | 226.09% |
| Net Stable Funding Ratio (%) - (Minimum Requirement - 2023 - 100%, 2022 - 90%) | 152.97% | 144.41% |

* Impaired loans (Stage 3) and total loans shall include total outstanding amount of on-balance sheet credit facilities and their respective undrawn amounts.

## EXPLANATORY NOTES

**1.** The figures are extracted from the Annual Audited Financial Statements of the Bank for the year ended 31st December 2023. External Auditors of the Bank, M/s Ernst & Young carried out an audit for the year ended 31st December 2023 and expressed an unqualified opinion on the Financial Statements of the Bank for the year ended 31st December 2023. Where required, figures on the Annual Audited Financial Statements have been reclassified to conform to the Central Bank of Sri Lanka publication requirements.

**2.** These Interim Financial Statements have been prepared in accordance with LKAS 34 - Interim Financial Reporting and present information required by Listing Rule 7.4 of the Colombo Stock Exchange.

**3** There are no significant changes in accounting policies and methods of computation since the publication of Audited Financial Statements of the Bank for the year 2022.

**4** There are no material changes in the composition of assets, liabilities, contingent liabilities and use of funds raised through issue of shares and debentures.

**5.** All known expenses have been provided for in these Financial Statements.

**6.** The presentation and classification of previous year have been amended for better presentation and to be comparable with those of the current year (Note 11)

**7. Appointment of Directors**

Mr. K.A.M.K. Ranasinghe has been appointed as a Non - Executive, Independent Director of the Bank with effect from 01st January 2024.

**8. Resignation of Directors**

Mr. C.M.U. Weerawardena - Non Executive, Independent Director has tendered his resignation with effect from 07th February 2024.

**9. Events after the Reporting Date**

There are no material events that took place after the Statement of Financial Position date which require adjustement to or disclosures in these Financial Statements except for the following:

**Dividends Declared**

The Board of Directors has declared a first and final cash dividend of Rs. 0.25 per share for the financial year ended 31st December 2023 subject to the approval of the shareholders at the Annual General Meeting to be held on 28th March 2024.

**10. Ratios**

| Ratios | 31/12/2023 |
|---|---|
| Debt to Equity (Times) | 0.62 |
| Interest Cover (Times) | 2.75 |
| Dividend Per Share (Rs.) | 0.25 |

**11. Reclassifications and Comparative Figures**

The following line items in the Statement of Financial Position as at 31st December 2022 and the Statement of Comprehensive Income for the year ended 31st December 2022, were reclassified to conform to the current year's presentation.

| | Reclassified Rs 000 | As Reported in 2022 Rs 000 |
|---|---|---|
| **Statement of Comprehensive Income** | | |
| **Other Operating Expenses** | | |
| Social Security Contribution Levy on Financial Services | - | 12,336 |
| **Taxes and Levies on Financial Services** | | |
| Social Security Contribution Levy on Financial Services | 12,336 | - |
| **Statement of Financial Position** | | |
| **Other Provisions and Accruals** | | |
| Deposit Insurance Payable | - | 39,765 |
| Stamp Duty and Crop Insurance Levy Payable | - | 21,548 |
| **Other Liability** | | |
| Deposit Insurance Payable | 39,765 | - |
| Stamp Duty and Crop Insurance Levy Payable | 21,548 | - |

The reclassifications does not have a material impact on Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows presented in 2022.

**12. Market Price of Ordinary Shares**

| Market Price Per Share | 31/12/2023 (Rs.) | | 31/12/2022 (Rs.) | |
|---|---|---|---|---|
| | Voting | Non-Voting | Voting | Non-Voting |
| Last Traded Price | 19.10 | - | 9.50 | - |
| Highest Price for the Quarter | 20.60 | - | 11.30 | - |
| Lowest Price for the Quarter | 17.20 | - | 8.60 | - |

## Shareholders' Information

### Major Shareholders as at 31st December 2023

| No | Name | No. of Shares | % |
|---|---|---|---|
| 1 | K. D. D. Perera | 132,724,230 | 29.99 |
| 2 | Bansei Securities Co., Ltd. | 66,384,246 | 15.00 |
| 3 | K. D. H. Perera | 23,305,998 | 5.27 |
| 4 | P. J. Tay | 21,917,994 | 4.95 |
| 5 | K. D. A. Perera | 19,200,000 | 4.34 |
| 6 | Sri Lanka Samurdhi Authority | 11,114,376 | 2.51 |
| 7 | Imminent Technologies (Pvt) Ltd | 10,637,697 | 2.40 |
| 8 | EMFI Capital Limited | 10,398,814 | 2.35 |
| 9 | Sri Lanka Savings Bank Limited | 10,298,499 | 2.33 |
| 10 | Seylan Bank PLC/Ambeon HoldingsPLC (Collateral) | 9,749,616 | 2.20 |
| 11 | Commercial Bank of Ceylon PLC/Andaradeniya Estate (Pvt) Ltd | 4,001,095 | 0.90 |
| 12 | Commercial Bank of Ceylon PLC/G.S.N. Peiris | 2,999,482 | 0.68 |
| 13 | Seylan Bank PLC/K.S Balasuriya | 2,000,000 | 0.45 |
| 14 | H. Beruwalage | 1,903,648 | 0.43 |
| 15 | Deutsche Bank AG Trustee to Lynear Wealth Dynamic Opportunities Fund | 1,767,502 | 0.40 |
| 16 | DFCC Bank PLC/N. G. N. Maduranga | 1,702,572 | 0.39 |
| 17 | A U De Silva | 1,680,000 | 0.38 |
| 18 | Merchant Bank of Sri Lanka & Finance PLC/ R.A. Niranjana | 1,551,834 | 0.35 |
| 19 | S A Cooray | 1,500,000 | 0.34 |
| 20 | Peoples Leasing and Finance PLC/L R De Silva | 1,311,961 | 0.30 |
| | | **336,149,564** | **75.96** |
| | **Others** | **106,412,065** | **24.04** |
| | **Total** | **442,561,629** | **100.00** |

Public holding as at 31st December 2023 was 55.01% in the hands of 6,854 public shareholders.

Float Adjusted Market Capitalisation as at 31st December 2023 was Rs. 4,649,955,205/- and the Bank complies with Option No. 04.

### Directors' and Chief Executive Officer's Holding in Shares as at 31st December 2023

| No | Name of Director | No. of Shares |
|---|---|---|
| 1 | M. Y. A. Perera | - |
| 2 | J. D. N. Kekulawala | - |
| 3 | B. D. A. Perera | - |
| 4 | S. A. Walgama | - |
| 5 | H. Ota | - |
| 6 | A. A. K. Amarasinghe | - |
| 7 | E. M. N. Edirisinghe | 1,950 |