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9th May 2024

The Board of Directors,
Seylan Bank PLC,
Seylan Towers
No. 90, Galle Road,
Colombo 03.

Dear Sirs/Madam,

ACCOUNTANTS' REPORT FOR INCLUSION IN THE PROSPECTUS OF SEYLAN BANK PLC

This report has been prepared for the inclusion in the Prospectus issued in connection with proposed issue of Fifty million (50,000,000) Basel III compliant Tier 2, Listed Rated Unsecured Subordinated Redeemable 5 year and 7 year Debentures (2024/2029 and 2024/31) with a Non-Viability conversion ("debentures"), of the par value of LKR 100/- each, with an option to issue up to a further Thirty million (30,000,000) of the said Debentures at the discretion of the Bank in the event of an oversubscription of the initial issue and with a further option to issue up to a further Twenty million (20,000,000) of the said Debentures at the discretion of the Bank in the event of an oversubscription of the initial issue and the second tranche, totaling to maximum of one Hundred million (100,000,000) Debentures.

We have examined the audited financial statements of Seylan Bank PLC and consolidated financial statements of the bank and its subsidiary ("the Group") for the financial years ended 31st December 2019 to 2023 extracted from the annual reports of the respective years, included in the prospectus and report as follows.

1. INCORPORATION

Seylan Bank PLC ("the Bank") is a listed Company incorporated in 1987 and domiciled in Sri Lanka. As per section 487 (2) of Companies Act No. 7 of 2007, the Bank has been re-registered under the registration number PQ9. The shares of the Bank have a primary listing on the Colombo Stock Exchange.

The Bank is licensed by the Central Bank of Sri Lanka to conduct banking and related activities such as accepting deposits, corporate and retail banking, personal financial services, offshore banking, foreign currency operations, trade services, rural finance, project finance, dealing in government securities, etc. under the provisions of the Banking Act No. 30 of 1988.

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2. FINANCIAL STATEMENTS

2.1 Five Years Summary of Financial Statements

A summary of Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows of Seylan Bank PLC for the years ended 31st December 2019 to 2023, based on the audited financial statements of the Bank are set out in Annexure 1.

Summaries presented for Operating Results, Assets, Liabilities and Shareholders' funds for financial years ended 31st December 2019 to 2023 are based on the financial statements prepared in accordance with SLFRSs and LKASs, effective from 1st January 2012 in the annual reports of the respective years.

2.2 Audit Reports

We have audited the financial statements of the Bank for the years ended 31st December 2019 to 2023. Unqualified audit opinions have been issued for the said financial years.

2.3 Application of Accounting Standards and Accounting Policies

The financial statements of the Bank for the financial years ended 31st December 2019 to 2023 complied with the applicable Sri Lanka Accounting Standards.

The accounting policies of the Bank are stated in detail in the audited financial statements of Seylan Bank PLC for the year ended 31st December 2023. The adoption of revised/ new accounting standards and a summary of related amendments to the accounting policies of the Bank from financial years ended 31st December 2019 to 2023 are given below.

Financial Year	Adoption of revised Accounting Standards and related changes in Accounting Policies
31 st December 2019	<p>Adoption of SLFRS 16 – “Leases”</p> <p>The Bank applied SLFRS 16 using the modified retrospective approach, under which an amount equal to the lease liability is accounted for as the right-of-use asset as at 1 January 2019. Accordingly, the comparative information presented for 2018 was not restated. The details of the changes in the accounting policies are disclosed below. Additionally, the disclosure requirements in SLFRS 16 have not generally been applied to comparative information.</p>

Definition of a lease

Prior to 1 January 2019

The Bank determined at contract inception whether an arrangement is or contains a lease under International Financial Reporting Interpretations Committee 4 (IFRIC 4) determining whether an arrangement contains a Lease.

After 1 January 2019

At inception of a contract, the Bank assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Bank uses the definition of a lease in SLFRS 16.

Transition approach

On transition to SLFRS 16, the Bank elected to apply the practical expedient to the assessment of which transaction are leases. It applied SLFRS 16 only to contracts that were previously identified as leases.

Bank acting as a lessee

Prior to 1 January 2019

The Bank classified these leases as operating leases under LKAS 17 based on its assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset to the Bank. Under SLFRS 16, the Bank recognises right-of-use assets and lease liabilities for leases of branch and office premises - i.e. these leases are on-balance sheet.

After 1 January 2019

At commencement or on modification of a contract that contains a lease component, the Bank allocates consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for leases of branches and office premises the Bank has elected not to separate non-lease components and accounts for the lease and non-lease components as a single lease component.

The Bank recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to branches or office premises.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Bank's incremental borrowing rate. Generally, the Bank uses its incremental borrowing rate as the discount rate.

The Bank determines its incremental borrowing rate by analysing its borrowings from various external sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Bank is reasonably certain to exercise, lease payments in an optional renewal period if the Bank is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Bank is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Bank's estimate of the amount expected to be payable under a residual value guarantee, if the Bank changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Bank presents right-of-use assets and lease liabilities separately in the Statement of Financial Position.

Short-term leases and leases of low-value assets

The Bank has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Bank recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Transition

The Bank used a number of practical expedients when applying SLFRS 16 to leases previously classified as operating leases under LKAS 17. In particular, the Bank:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low-value assets;
- excluded initial direct costs from measuring the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

Bank acting as a lessor

Prior to 1 January 2019

The Bank leases out certain property and equipment. The Bank had classified these leases as follows:

- finance leases as property and equipment;
- operating leases as investment property.

After 1 January 2019

At inception or on modification of a contract that contains a lease component, the Bank allocates the consideration in the contract to each lease component on the basis of their relative stand-alone selling prices.

When the Bank acts as a lessor, it determines at lease inception whether the lease is a finance lease or an operating lease.

To classify each lease, the Bank makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Bank considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Bank applies the derecognition and impairment requirements in SLFRS 9 to the net investment in the lease. The Bank further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

<p>31st December 2020</p>	<p>Amendment to Business Combination- SLFRS 3</p> <p>The Group has initially adopted definition of the Business (Amendments to SLFRS 3) from 1st January 2020.</p> <p>Definition of a business</p> <p>The Group applied Definition of a Business (Amendments to SLFRS 3) to business combinations whose dates of acquisition are on or after 1st January 2020 in assessing whether it had acquired a business or a group of assets. The amendments do not have a material effect on the Group's financial statements because the Group has not acquired any subsidiaries during the year.</p>
<p>31st December 2021</p>	<p>Interest Rate Benchmark Reform ("IBOR") (Amendments to SLFRS 9, LKAS 39 and SLFRS 7)</p> <p>A fundamental reform of major interest rate benchmark is being undertaken globally, replacing certain interbank offered rates ("IBORs") with alternative nearly risk-free rates (referred to as "IBOR reform"). The Bank has exposure to certain IBORs on its financial instruments that are being reformed as part of these market-wide initiatives.</p> <p>The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) issued amendments to SLFRS 9, LKAS 39 and SLFRS 7 due to Interest Rate Benchmark Reform Phase 1 and Phase 2. The effective date of both IBOR reform Phase 1 and Phase 2 amendments are for annual reporting periods beginning on or after 1 January 2021 in the Sri Lankan context and the requirements under phase 2 amendments have to be applied retrospectively.</p> <p>The main risks to which the Bank has been exposed as a result of IBOR reform are operational. For example, the renegotiation of loan contracts through bilateral negotiation with customers, updating of contractual terms and revision of operational controls related to the reform and regulatory risk. Financial risk is predominantly limited to interest rate risk.</p>

31st December 2022

Onerous Contracts (Amendment to LKAS 37)

The Group has adopted Onerous Contracts - Costs of fulfilling a Contract (Amendments to SLAS 37) from 1 January 2022. This resulted in a change in accounting policy for performing an onerous contract assessment. Previously, the Group included only incremental costs to fulfil a contract when determining whether that contract was onerous. The revised policy is to include both incremental costs and an allocation of other direct costs. The amendments apply prospectively to contracts existing at the date when the amendments are first applied. The Group has analysed all contracts existing at 1 January 2022 and determined that none of them would be identified as onerous applying the revised accounting policy - i.e. there is no impact on the opening equity balances as at 1 January 2022 as a result of the change.

Reclassification of Debt portfolio from Fair value through Other Comprehensive Income to Amortised Cost

The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) has issued the "Statement of Alternative Treatment (SoAT) on Reclassification of Debt Portfolio" which provides a temporary practical expedient to permit the entities to reclassify the debt portfolio measured at Fair Value through Other Comprehensive Income (FVOCI) to Amortised cost.

The Bank has adopted the above SoAT and re-classified its Debt Portfolio from Fair Value Through Other Comprehensive Income (FVOCI) to Amortised Cost (AC) with effect from 1 April 2022.

31st December 2023

Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to LKAS 12) from 1 January 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases. For leases, the Group is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the Group applies the amendments to transactions that occur on or after the beginning of the earliest period presented. The Group previously accounted for deferred tax on leases by applying the ‘integrally linked’ approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. However, there was no impact on the Statement of Financial Position because the balances qualify for offset under LKAS 12. There was also no impact on the opening retained earnings as at 1 January 2022 as a result of the change. The key impact for the Group relates to disclosure of the deferred tax assets and liabilities recognised.

Material Accounting Policy Information

The Group also adopted Disclosure of Accounting Policies (Amendments to LKAS 1) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of ‘material’, rather than ‘significant’, accounting policies.



2.4 Dividends

The Bank had declared the following dividends in respect of Ordinary Shares for the years ended 31st December 2018 to 31st December 2022.

Year ended 31 st December	Total Dividend Declared Rs. '000	Dividend Per Share Rs.
2018	915,248	2.50*
2019	1,007,248	2.00**
2020	775,535	1.50***
2021	1,602,572	3.00****
2022	1,155,553	2.00*****

* Rs.0.50/- by way of cash dividend and Rs. 2.00/- by way of a scrip dividend.

** Rs. 1/- by way of cash dividend and Rs.1/- by way of a scrip dividend.

*** Rs. 1.50/- by way of a scrip dividend.

**** Rs. 3.00/- by way of a scrip dividend.

***** Rs. 2.00/- by way of a scrip dividend.

2.5 Events after the Reporting Date

The Board of directors of the Bank has paid out a final dividend of Rs. 2.50 per share on both voting and non-voting shares of the Bank for the year ended 31st December 2023 which was paid by way of a cash dividend of Rs. 1.00 per share and a scrip dividend of Rs. 1.50 per share.

Yours faithfully,

Chartered Accountants
Colombo

Annexure 1: Five Year Summary

Statement of Profit or Loss and Other Comprehensive Income

Financial period ended 31st December

Trading Results

Gross Income

Profit before Taxation

Taxation

Profit after Taxation

Other Comprehensive Income,

Net of Income Tax

Total Comprehensive Income

Dividend Per Share (Rs.)

	Bank					Group				
	2023 Rs.'000	2022 Rs.'000	2021 Rs.'000	2020 Rs.'000	2019 Rs.'000	2023 Rs.'000	2022 Rs.'000	2021 Rs.'000	2020 Rs.'000	2019 Rs.'000
Gross Income	116,773,303	96,817,975	54,767,049	57,224,196	61,369,654	116,835,833	96,836,414	54,750,691	57,227,750	61,356,249
Profit before Taxation	10,080,086	6,628,860	6,027,776	4,111,247	5,098,640	10,269,451	6,796,658	6,184,680	4,295,636	5,267,110
Taxation	(3,823,872)	(1,916,597)	(1,447,236)	(1,099,947)	(1,418,378)	3,868,829	2,218,888	(1,449,010)	(1,197,578)	(1,468,858)
Profit after Taxation	6,256,214	4,712,263	4,580,540	3,011,300	3,680,262	6,400,622	4,577,770	4,735,670	3,098,058	3,798,252
Other Comprehensive Income, Net of Income Tax	(26,598)	(2,724,398)	(1,521,020)	1,832,025	2,233,532	56,454	(2,746,463)	(1,479,099)	1,865,107	2,322,388
Total Comprehensive Income	6,229,616	1,987,865	3,059,520	4,843,325	5,913,794	6,457,076	1,831,307	3,256,571	4,963,165	6,120,640
Dividend Per Share (Rs.)	2.50	2.00	3.00	1.50	2.00	2.50	2.00	3.00	1.50	2.00



Annexure 1: Five Year Summary (Continued)

Statement of Financial Position

As at 31st December

	Bank					Group				
	2023 Rs.'000	2022 Rs.'000	2021 Rs.'000	2020 Rs.'000	2019 Rs.'000	2023 Rs.'000	2022 Rs.'000	2021 Rs.'000	2020 Rs.'000	2019 Rs.'000
Assets										
Cash & Short Term Funds (Including Securities purchased under resale agreements)	49,668,294	43,883,063	26,108,085	16,179,037	16,923,888	49,668,333	43,883,103	26,108,125	16,179,077	16,923,928
Balances with Central Bank of Sri Lanka	7,028,281	16,784,172	8,725,834	7,371,203	14,458,970	7,028,281	16,784,172	8,725,834	7,371,203	14,458,970
Investments (Including Investment properties)	171,339,937	137,448,482	102,037,867	111,119,662	84,583,126	172,733,463	138,655,933	103,132,956	112,041,466	85,497,031
Loans & Receivables, Placements with Banks and Finance Companies (Including Leases & Bills of Exchange)	459,597,142	446,038,544	450,223,571	404,496,675	380,432,342	459,597,142	446,038,544	450,223,571	404,496,675	380,432,342
Investment in Subsidiary	1,153,602	1,153,602	1,153,602	1,153,602	1,153,602	-	-	-	-	-
Other Assets (Including Taxation)	19,672,022	18,334,776	9,653,966	8,284,599	9,293,053	19,065,952	17,777,800	9,648,269	8,303,769	9,292,942
Property, Plant & Equipment, Right-of-use assets, Leasehold Rights and Intangible Assets	9,526,157	9,163,005	9,673,986	9,102,642	9,449,206	9,900,119	9,695,624	10,251,378	9,613,742	9,926,056
Total Assets	717,985,435	672,805,644	607,576,911	557,707,420	516,294,187	717,993,290	672,835,176	608,090,133	558,005,932	516,531,269
Liabilities										
Deposits from Customers and Due to Banks	602,795,086	559,473,785	513,157,715	472,982,813	429,500,987	602,795,086	559,473,785	513,157,715	472,982,813	429,500,987
Borrowings and Debentures	26,846,850	33,569,308	24,287,127	19,648,554	28,320,235	26,846,850	33,569,308	24,287,127	19,648,554	28,320,235
Other Liabilities (Including Lease Liabilities)	25,129,915	20,165,011	16,163,392	13,725,819	12,552,228	21,882,913	17,098,473	13,130,109	10,638,933	9,585,321
Taxation (Including Deferred tax)	2,688,253	5,128,484	1,881,540	2,339,674	1,250,715	2,719,843	5,179,000	2,194,227	2,636,448	1,437,924
Dividends Payable	18,750	18,758	34,128	43,585	42,748	50,748	48,141	34,128	43,585	42,748
Total Liabilities	657,478,854	618,355,346	555,523,902	508,740,445	471,666,913	654,295,440	615,368,707	552,803,306	505,950,333	468,887,215
Equity										
Stated Capital	20,908,673	19,926,453	18,323,882	17,548,347	17,044,724	20,908,673	19,926,453	18,323,882	17,548,347	17,044,724
Reserve Fund	2,880,973	2,568,162	2,332,549	2,103,522	1,952,957	2,880,973	2,568,162	2,332,549	2,103,522	1,952,957
Reserves	36,716,935	31,955,683	31,396,578	29,315,106	25,629,593	38,592,160	33,707,446	33,301,803	31,117,954	27,381,785
Non Controlling Interest	-	-	-	-	-	1,316,044	1,264,408	1,328,593	1,285,776	1,264,588
Total Equity	60,506,581	54,450,298	52,053,009	48,966,975	44,627,274	63,697,850	57,466,469	55,286,827	52,055,599	47,644,054
Total Liabilities & Equity	717,985,435	672,805,644	607,576,911	557,707,420	516,294,187	717,993,290	672,835,176	608,090,133	558,005,932	516,531,269
Commitments and Contingencies	165,840,804	167,641,150	224,389,878	195,154,154	150,147,271	165,859,420	167,642,941	224,389,963	195,173,315	150,189,462

Annexure 1: Five Year Summary (Continued)

STATEMENT OF CHANGES IN EQUITY

For the Year ended 31st December - Bank - Rs'000

	Stated Capital		Statutory Reserve Fund *	Retained Earnings		Reserves		Total
	Ordinary Shares - Voting	Ordinary Shares - Non Voting			Revaluation Reserve	AFS / FVOCI Reserve	Other Reserves	
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000
(1) Balance as at 01 st January 2019	7,723,207	4,302,588	1,768,944	19,798,647	866,290	(1,879,301)	2,029,424	34,609,799
Total Comprehensive Income for the Year								
Profit for the Year	-	-	-	3,680,262	-	-	-	3,680,262
Other Comprehensive Income (net of tax)								
- Actuarial Gain on Defined Benefit Obligations	-	-	-	177,461	-	-	-	177,461
- Net gains/(losses) on investments in debt instruments measured at FVOCI	-	-	-	-	-	1,828,712	-	1,828,712
- Change in fair value on investments in equity instruments measured at FVOCI	-	-	-	-	-	289,432	-	289,432
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	(62,073)	(62,073)
(2) Total Comprehensive Income for the Year	-	-	-	3,857,723	-	2,118,144	(62,073)	5,913,794
Transactions with Equity Holders , Recognised Directly In Equity								
Cash/Scrip Dividends to Equity Holders	316,659	313,032	-	(915,248)	-	-	-	(285,557)
Rights Issue	2,844,844	1,544,394	-	-	-	-	-	4,389,238
Reversal of Revaluation on Disposed Property, Plant and Equipment	-	-	-	7,978	(7,978)	-	-	-
Transferred to Statutory Reserve Fund*	-	-	184,013	(184,013)	-	-	-	-
Transferred from Investment Fund Reserve	-	-	-	5,090	-	-	(5,090)	-
Net Gain on Disposal Equity Investments measured at FVOCI	-	-	-	253,062	-	(253,062)	-	-
(3) Total Transactions with Equity Holders	3,161,503	1,857,426	184,013	(833,131)	(7,978)	(253,062)	(5,090)	4,103,681
Balance as at 31 st December 2019 (1 + 2 + 3)	10,884,710	6,160,014	1,952,957	22,823,239	858,312	(14,219)	1,962,261	44,627,274
(1) Balance as at 01 st January 2020	10,884,710	6,160,014	1,952,957	22,823,239	858,312	(14,219)	1,962,261	44,627,274
Total Comprehensive Income for the Year								
Profit for the Year	-	-	-	3,011,300	-	-	-	3,011,300
Other Comprehensive Income (net of tax)								
- Actuarial Losses on Defined Benefit Obligations	-	-	-	(495,480)	-	-	-	(495,480)
- Net gains/(losses) on investments in debt instruments measured at FVOCI	-	-	-	-	-	1,238,707	-	1,238,707
- Change in fair value on investments in equity instruments measured at FVOCI	-	-	-	-	-	1,062,026	-	1,062,026
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	26,772	26,772
(2) Total Comprehensive Income for the Year	-	-	-	2,515,820	-	2,300,733	26,772	4,843,325
Transactions with Equity Holders , Recognised Directly In Equity								
Cash/Scrip Dividends to Equity Holders	251,477	252,146	-	(1,007,247)	-	-	-	(503,624)
Transferred to Statutory Reserve Fund*	-	-	150,565	(150,565)	-	-	-	-
Transferred from Investment Fund Reserve	-	-	-	500,795	-	-	(500,795)	-
Net Gain on Disposal Equity Investments measured at FVOCI	-	-	-	1,490	-	(1,490)	-	-
Net Loss on Reclassification of Debt Investments measured at FVOCI	-	-	-	(308)	-	308	-	-
(3) Total Transactions with Equity Holders	251,477	252,146	150,565	(655,835)	-	(1,182)	(500,795)	(503,624)
Balance as at 31 st December 2020 (1 + 2 + 3)	11,136,187	6,412,160	2,103,522	24,683,224	858,312	2,285,332	1,488,238	48,966,975

* Statutory Reserve Fund represents the statutory requirement in terms of the Section 20(1) and (2) of the Banking Act No. 30 of 1988 (5% of net profit after tax).

Annexure 1: Five Year Summary (Continued)

STATEMENT OF CHANGES IN EQUITY (Continued)

For the Year ended 31st December - Bank (Continued) - Rs'000

	Stated Capital		Statutory Reserve Fund *	Retained Earnings	Reserves			Total
	Ordinary Shares - Voting Rs. ' 000	Ordinary Shares - Non Voting Rs. ' 000			Revaluation Reserve Rs. ' 000	FVOCI Reserve Rs. ' 000	Other Reserves Rs. ' 000	
(1) Balance as at 01 st January 2021	11,136,187	6,412,160	2,103,522	24,683,224	858,312	2,285,332	1,488,238	48,966,975
Total Comprehensive Income for the Year								
Profit for the Year	-	-	-	4,580,540	-	-	-	4,580,540
Other Comprehensive Income (net of tax)								
- Revaluation of Property, Plant and Equipment	-	-	-	-	601,759	-	-	601,759
- Actuarial Gain on Defined Benefit Obligations	-	-	-	(390,122)	-	-	-	(390,122)
- Net gains/(losses) on investments in debt instruments measured at FVOCI	-	-	-	-	-	(2,093,966)	-	(2,093,966)
- Change in fair value on investments in equity instruments measured at FVOCI	-	-	-	-	-	438,794	-	438,794
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	(77,485)	(77,485)
(2) Total Comprehensive Income for the Year	-	-	-	4,190,418	601,759	(1,655,172)	(77,485)	3,059,520
Transactions with Equity Holders, Recognised Directly In Equity								
Scrip Dividends to Equity Holders	385,076	390,459	-	(775,535)	-	-	-	-
Unclaimed Dividend Absorbed/(Dividend Paid) in respect of Previous Years	-	-	-	9,228	-	-	-	9,228
Transferred to Statutory Reserve Fund*	-	-	229,027	(229,027)	-	-	-	-
Transferred from Investment Fund Reserve	-	-	-	434,435	-	-	(434,435)	-
Net Gain on Disposal Equity Investments measured at FVOCI	-	-	-	875,339	-	(875,339)	-	-
Reversal of Revaluation on Disposed Property, Plant and Equipment	-	-	-	8,535	8,751	-	-	17,286
(3) Total Transactions with Equity Holders	385,076	390,459	229,027	322,975	8,751	(875,339)	(434,435)	26,514
Balance as at 31 st December 2021 (1 + 2 + 3)	11,521,263	6,802,619	2,332,549	29,196,617	1,468,822	(245,179)	976,318	52,053,009
(1) Balance as at 01 st January 2022	11,521,263	6,802,619	2,332,549	29,196,617	1,468,822	(245,179)	976,318	52,053,009
Surcharge Tax	-	-	-	(1,168,335)	-	-	-	(1,168,335)
(2) Restated Balance as at 01 st January 2022	11,521,263	6,802,619	2,332,549	28,028,282	1,468,822	(245,179)	976,318	50,884,674
Total Comprehensive Income for the Year								
Profit for the Year	-	-	-	4,712,263	-	-	-	4,712,263
Other Comprehensive Income (net of tax)								
- Actuarial Losses on Defined Benefit Obligations	-	-	-	(222,236)	-	-	-	(222,236)
- Net Losses on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(1,240,758)	-	(1,240,758)
- Net Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(1,251,047)	-	(1,251,047)
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	84,246	84,246
- Deferred Tax Impact on Tax Rate Change	-	-	-	-	(94,603)	-	-	(94,603)
(3) Total Comprehensive Income for the Year	-	-	-	4,490,027	(94,603)	(2,491,805)	84,246	1,987,865
Transactions with Equity Holders, Recognised Directly In Equity								
Scrip Dividend to Equity Holders	792,802	809,769	-	(1,602,571)	-	-	-	-
Unclaimed Dividend Absorbed/(Dividend Paid) in respect of Previous Years	-	-	-	14,484	-	-	-	14,484
Transferred to Statutory Reserve Fund*	-	-	235,613	(235,613)	-	-	-	-
Transferred from Investment Fund Reserve	-	-	-	359,989	-	-	(359,989)	-
Net Gains on Disposal of Equity Investments measured at Fair Value through Other Comprehensive Income	-	-	-	9,396	-	(9,396)	-	-
Reclassification of Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	1,563,275	-	1,563,275
(4) Total Transactions with Equity Holders	792,802	809,769	235,613	(1,454,315)	-	1,553,879	(359,989)	1,577,759
Balance as at 31 st December 2022 (2 + 3 + 4)	12,314,065	7,612,388	2,568,162	31,063,994	1,374,219	(1,183,105)	700,575	54,450,298

* Statutory Reserve Fund represents the statutory requirement in terms of the Section 20(1) and (2) of the Banking Act No. 30 of 1988 (5% of net profit after tax).

Annexure 1: Five Year Summary (Continued)

STATEMENT OF CHANGES IN EQUITY (Continued)

For the Year ended 31st December - Bank (Continued) - Rs'000

	Stated Capital		Statutory Reserve Fund	Retained Earnings	Reserves			Total
	Ordinary Shares - Voting	Ordinary Shares - Non Voting			Revaluation Reserve	FVOCI Reserve	Other Reserves	
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000
(1) Balance as at 01 st January 2023	12,314,065	7,612,388	2,568,162	31,063,994	1,374,219	(1,183,105)	700,575	54,450,298
Total Comprehensive Income for the Year								
Profit for the Year	-	-	-	6,256,214	-	-	-	6,256,214
Other Comprehensive Income (net of tax)								
- Actuarial Losses on Defined Benefit Obligations	-	-	-	(1,005,704)	-	-	-	(1,005,704)
- Net Losses on Investments in Debt Instruments measured at Fair Value through								
Other Comprehensive Income	-	-	-	-	-	691,287	-	691,287
- Net Change in Fair Value on Investments in Equity Instruments measured at								
Fair Value through Other Comprehensive Income	-	-	-	-	-	287,819	-	287,819
(2) Total Comprehensive Income for the Year	-	-	-	5,250,510	-	979,106	-	6,229,616
Transactions with Equity Holders , Recognised Directly In Equity								
Scrip Dividend to Equity Holders	480,599	501,621	-	(1,155,553)	-	-	-	(173,333)
Transferred to Statutory Reserve Fund*	-	-	312,811	(312,811)	-	-	-	-
(3) Total Transactions with Equity Holders	480,599	501,621	312,811	(1,468,364)	-	-	-	(173,333)
Balance as at 31st December 2023 (1 + 2 + 3)	12,794,664	8,114,009	2,880,973	34,846,140	1,374,219	(203,999)	700,575	60,506,581

* Statutory Reserve Fund represents the statutory requirement in terms of the Section 20(1) and (2) of the Banking Act No. 30 of 1988 (5% of net profit after tax).

Annexure 1: Five Year Summary (Continued)

STATEMENT OF CHANGES IN EQUITY (Continued)

For the Year ended 31st December - Group - Rs'000

	Stated Capital		Statutory	Retained	Reserves			Total	Non	Total Equity
	Ordinary	Ordinary	Reserve	Earnings	Revaluation	AFS / FVOCI	Other		Controlling	
	Shares -	Shares -	Fund		n Reserve	Reserve	Reserves		Interest	
	Voting	Non Voting	*							
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000
(1) Balance as at 01st January 2019	7,723,207	4,302,588	1,768,944	20,419,229	1,662,627	(1,914,326)	2,284,637	36,246,906	1,216,457	37,463,363
Total Comprehensive Income for the Year										
Profit for the Year	-	-	-	3,732,691	-	-	-	3,732,691	65,561	3,798,252
Other Comprehensive Income (net of tax)	-	-	-	-	-	-	-	-	-	-
- Revaluation of Property, Plant and Equipment	-	-	-	-	60,088	-	-	60,088	25,131	85,219
- Actuarial Gain on Defined Benefit Obligations	-	-	-	175,841	-	-	-	175,841	(678)	175,163
- Net gains/(losses) on investments in debt instruments measured at FVOCI	-	-	-	-	-	1,832,262	-	1,832,262	1,485	1,833,747
- Change in fair value on investments in equity instruments measured at FVOCI	-	-	-	-	-	290,067	-	290,067	265	290,332
- Reversal of FVOCI reserve of equity instrument written-off	-	-	-	(564)	-	564	-	-	-	-
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	(62,073)	(62,073)	-	(62,073)
(2) Total Comprehensive Income for the Year	-	-	-	3,907,968	60,088	2,122,893	(62,073)	6,028,876	91,764	6,120,640
Transactions with Equity Holders , Recognised Directly In Equity										
Cash/Scrip Dividends to Equity Holders	316,659	313,032	-	(915,245)	-	-	-	(285,554)	(43,633)	(329,187)
Rights issue	2,844,844	1,544,394	-	-	-	-	-	4,389,238	-	4,389,238
Reversal of Revaluation on Disposed Property, Plant and Equipment	-	-	-	7,987	(7,987)	-	-	-	-	-
Transferred to Statutory Reserve Fund*	-	-	184,013	(184,013)	-	-	-	-	-	-
Transferred from Investment Fund Reserve	-	-	-	5,090	-	-	(5,090)	-	-	-
Net Gain on Disposal Equity Investments measured at FVOCI	-	-	-	253,168	-	(253,168)	-	-	-	-
(3) Total Transactions with Equity Holders	3,161,503	1,857,426	184,013	(833,013)	(7,987)	(253,168)	(5,090)	4,103,684	(43,633)	4,060,051
Balance as at 31st December 2019 (1 + 2 + 3)	10,884,710	6,160,014	1,952,957	23,494,184	1,714,728	(44,601)	2,217,474	46,379,466	1,264,588	47,644,054
(1) Balance as at 01st January 2020	10,884,710	6,160,014	1,952,957	23,494,184	1,714,728	(44,601)	2,217,474	46,379,466	1,264,588	47,644,054
Total Comprehensive Income for the Year										
Profit for the Year	-	-	-	3,038,629	-	-	-	3,038,629	59,429	3,098,058
Other Comprehensive Income (net of tax)	-	-	-	-	-	-	-	-	-	-
- Revaluation of Property, Plant and Equipment	-	-	-	-	21,139	-	-	21,139	8,841	29,980
- Actuarial Losses on Defined Benefit Obligations	-	-	-	(495,369)	-	-	-	(495,369)	46	(495,323)
- Net gains/(losses) on investments in debt instruments measured at FVOCI	-	-	-	-	-	1,240,784	-	1,240,784	868	1,241,652
- Change in fair value on investments in equity instruments measured at FVOCI	-	-	-	-	-	1,062,026	-	1,062,026	-	1,062,026
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	26,772	26,772	-	26,772
(2) Total Comprehensive Income for the Year	-	-	-	2,543,260	21,139	2,302,810	26,772	4,893,981	69,184	4,963,165
Transactions with Equity Holders , Recognised Directly In Equity										
Cash/Scrip Dividends to Equity Holders	251,477	252,146	-	(1,007,247)	-	-	-	(503,624)	(47,996)	(551,620)
Transferred to Statutory Reserve Fund*	-	-	150,565	(150,565)	-	-	-	-	-	-
Transferred from Investment Fund Reserve	-	-	-	500,795	-	-	(500,795)	-	-	-
Net Gain on Disposal Equity Investments measured at FVOCI	-	-	-	1,490	-	(1,490)	-	-	-	-
Net Loss on Reclassification of Debt Investments measured at FVOCI	-	-	-	(308)	-	308	-	-	-	-
(3) Total Transactions with Equity Holders	251,477	252,146	150,565	(655,835)	-	(1,182)	(500,795)	(503,624)	(47,996)	(551,620)
Balance as at 31st December 2020 (1 + 2 + 3)	11,136,187	6,412,160	2,103,522	25,381,609	1,735,867	2,257,027	1,743,451	50,769,823	1,285,776	52,055,599

* Statutory Reserve Fund represents the statutory requirement in terms of the Section 20(1) and (2) of the Banking Act No. 30 of 1988 (5% of net profit after tax)

Annexure I: Five Year Summary (Continued)

STATEMENT OF CHANGES IN EQUITY (Continued)

For the Year ended 31st December - Group (Continued) - Rs'000

	Stated Capital		Statutory	Retained	Reserves			Total	Non	Total Equity
	Ordinary	Ordinary	Reserve	Earnings	Revaluation	FVOCI	Other		Controlling	
	Shares -	Shares -	Fund		Reserve	Reserve	Reserves		Interest	
	Voting	Non Voting	*							
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000
(1) Balance as at 01 st January 2021	11,136,187	6,412,160	2,103,522	25,381,609	1,735,867	2,257,027	1,743,451	50,769,823	1,285,776	52,055,599
Total Comprehensive Income for the Year										
Profit for the Year	-	-	-	4,653,003	-	-	-	4,653,003	82,667	4,735,670
Other Comprehensive Income (net of tax)	-	-	-	-	-	-	-	-	-	-
- Revaluation of Property, Plant and Equipment	-	-	-	-	629,607	-	-	629,607	11,648	641,255
- Actuarial Losses on Defined Benefit Obligations	-	-	-	(390,684)	-	-	-	(390,684)	(235)	(390,919)
- Net gains/(losses) on investments in debt instruments measured at FVOCI	-	-	-	-	-	(2,091,694)	-	(2,091,694)	950	(2,090,744)
- Change in fair value on investments in equity instruments measured at FVOCI	-	-	-	-	-	438,794	-	438,794	-	438,794
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	(77,485)	(77,485)	-	(77,485)
(2) Total Comprehensive Income for the Year	-	-	-	4,262,319	629,607	(1,652,900)	(77,485)	3,161,541	95,030	3,256,571
Transactions with Equity Holders , Recognised Directly In Equity										
Scrip Dividends to Equity Holders	385,076	390,459	-	(775,535)	-	-	-	-	(52,362)	(52,362)
Unclaimed Dividend Absorbed/(Dividend Paid) in respect of Previous Years	-	-	-	9,228	-	-	-	9,228	-	9,228
Transferred to Statutory Reserve Fund*	-	-	229,027	(229,027)	-	-	-	-	-	-
Transferred from Investment Fund Reserve	-	-	-	434,435	-	-	(434,435)	-	-	-
Net Gain on Disposal Equity Investments measured at FVOCI	-	-	-	875,339	-	(875,339)	-	-	-	-
Reversal of Revaluation on Disposed Property, Plant and Equipment	-	-	-	8,654	8,661	-	-	17,315	12	17,327
Others	-	-	-	327	-	-	-	327	137	464
(3) Total Transactions with Equity Holders	385,076	390,459	229,027	323,421	8,661	(875,339)	(434,435)	26,870	(52,213)	(25,343)
Balance as at 31st December 2021 (1 + 2 + 3)	11,521,263	6,802,619	2,332,549	29,967,349	2,374,135	(271,212)	1,231,531	53,958,234	1,328,593	55,286,827
(1) Balance as at 01 st January 2022	11,521,263	6,802,619	2,332,549	29,967,349	2,374,135	(271,212)	1,231,531	53,958,234	1,328,593	55,286,827
Surcharge Tax	-	-	-	(1,168,335)	-	-	-	(1,168,335)	-	(1,168,335)
(2) Restated Balance as at 01st January 2022	11,521,263	6,802,619	2,332,549	28,799,014	2,374,135	(271,212)	1,231,531	52,789,899	1,328,593	54,118,492
Total Comprehensive Income for the Year										
Profit for the Year	-	-	-	4,574,359	-	-	-	4,574,359	3,411	4,577,770
Other Comprehensive Income (net of tax)	-	-	-	-	-	-	-	-	-	-
- Revaluation of Property, Plant and Equipment	-	-	-	-	(9,945)	-	-	(9,945)	(4,159)	(14,104)
- Actuarial Gain/(loss) on Defined Benefit Obligations	-	-	-	(221,122)	-	-	-	(221,122)	466	(220,656)
- Net gains/(losses) on investments in debt instruments measured at FVOCI	-	-	-	-	-	(1,247,267)	-	(1,247,267)	(2,722)	(1,249,989)
- Net change in fair value on investments in equity instruments measured at FVOCI	-	-	-	-	-	(1,251,047)	-	(1,251,047)	-	(1,251,047)
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	84,246	84,246	-	84,246
- Deferred Tax Impact on Tax Rate Change	-	-	-	-	(94,821)	-	-	(94,821)	(92)	(94,913)
(3) Total Comprehensive Income for the Year	-	-	-	4,353,237	(104,766)	(2,498,314)	84,246	1,834,403	(3,096)	1,831,307
Transactions with Equity Holders , Recognised Directly In Equity										
Cash/Scrip Dividends to Equity Holders	792,802	809,769	-	(1,602,571)	-	-	-	-	(61,089)	(61,089)
Unclaimed Dividend Absorbed/(Dividend Paid) in respect of Previous Years	-	-	-	14,484	-	-	-	14,484	-	14,484
Reversal of Revaluation on Disposed Property, Plant and Equipment	-	-	-	-	-	-	-	-	-	-
Transferred to Statutory Reserve Fund*	-	-	235,613	(235,613)	-	-	-	-	-	-
Transferred from Investment Fund Reserve	-	-	-	359,989	-	-	(359,989)	-	-	-
Net Gain on Disposal Equity Investments measured at FVOCI	-	-	-	9,396	-	(9,396)	-	-	-	-
Reclassification of Debt Instruments measured at Fair Value through Other Income	-	-	-	-	-	1,563,275	-	1,563,275	-	1,563,275
(4) Total Transactions with Equity Holders	792,802	809,769	235,613	(1,454,315)	-	1,553,879	(359,989)	1,577,759	(61,089)	1,516,670
Balance as at 31st December 2022 (2 + 3 + 4)	12,314,065	7,612,388	2,568,162	31,697,936	2,269,369	(1,215,647)	955,788	56,202,061	1,264,408	57,466,469

* Statutory Reserve Fund represents the statutory requirement in terms of the Section 20(1) and (2) of the Banking Act No. 30 of 1988 (5% of net profit after tax)

Annexure I: Five Year Summary (Continued)

STATEMENT OF CHANGES IN EQUITY (Continued)

For the Year ended 31st December - Group (Continued) - Rs'000

	Stated Capital		Statutory	Retained	Reserves			Total	Non	Total Equity
	Ordinary	Ordinary	Reserve	Earnings	Revaluation	FVOCI	Other		Controlling	
	Shares -	Shares -	Fund		Reserve	Reserve	Reserves		Interest	
	Voting	Non Voting	*							
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000
(1) Balance as at 01 st January 2023	12,314,065	7,612,388	2,568,162	31,697,936	2,269,369	(1,215,647)	955,788	56,202,061	1,264,408	57,466,469
Total Comprehensive Income for the Year										
Profit for the Year	-	-	-	6,321,116	-	-	-	6,321,116	79,506	6,400,622
Other Comprehensive Income (net of tax)										
- Revaluation of Property, Plant and Equipment	-	-	-	-	59,648	-	-	59,648	24,947	84,595
- Actuarial Gain/ (loss) on Defined Benefit Obligations	-	-	-	(1,009,715)	-	-	-	(1,009,715)	(1,677)	(1,011,392)
- Net gains/(losses) on investments in debt instruments measured at FVOCI	-	-	-	-	-	694,210	-	694,210	1,222	695,432
- Net change in fair value on investments in equity instruments measured at FVOCI	-	-	-	-	-	287,819	-	287,819	-	287,819
(2) Total Comprehensive Income for the Year	-	-	-	5,311,401	59,648	982,029	-	6,353,078	103,998	6,457,076
Transactions with Equity Holders , Recognised Directly In Equity										
Cash/Scrip Dividends to Equity Holders	480,599	501,621	-	(1,155,553)	-	-	-	(173,333)	(52,362)	(225,695)
Transferred to Statutory Reserve Fund*	-	-	312,811	(312,811)	-	-	-	-	-	-
(3) Total Transactions with Equity Holders	480,599	501,621	312,811	(1,468,364)	-	-	-	(173,333)	(52,362)	(225,695)
Balance as at 31st December 2023 (1+ 2 + 3)	12,794,664	8,114,009	2,880,973	35,540,973	2,329,017	(233,618)	955,788	62,381,806	1,316,044	63,697,850

* Statutory Reserve Fund represents the statutory requirement in terms of the Section 20(1) and (2) of the Banking Act No. 30 of 1988 (5% of net profit after tax)

Annexure I: Five Year Summary (Continued)

STATEMENT OF CASH FLOWS

For the Year ended 31st December

	Bank					Group				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash Flows from Operating Activities										
Interest receipts	110,559,524	78,479,079	41,685,072	48,732,142	53,327,880	110,649,365	78,516,805	41,695,861	48,739,823	53,335,401
Interest payments	(61,187,798)	(33,232,226)	(21,411,294)	(29,889,168)	(32,820,976)	(61,175,851)	(33,219,943)	(21,402,467)	(29,879,048)	(32,817,258)
Net commission receipts	7,480,177	6,462,018	4,641,200	3,729,610	4,232,771	7,476,765	6,461,207	4,640,476	3,728,304	4,232,555
Trading income	243,836	196,078	28,216	165,587	66,587	243,836	196,078	29,416	166,776	68,172
Payments to employees	(7,582,118)	(7,583,372)	(7,353,685)	(6,961,878)	(6,249,124)	(7,621,765)	(7,626,699)	(7,390,910)	(6,995,809)	(6,283,773)
VAT and NBT on financial services and DRL	(3,829,697)	(2,548,404)	(2,164,565)	(1,199,766)	(2,694,167)	(3,829,697)	(2,548,404)	(2,164,565)	(1,199,766)	(2,694,167)
Receipts from other operating activities	1,186,759	15,234,119	3,707,288	2,455,564	2,780,711	1,284,808	15,360,974	3,804,412	2,565,231	2,848,147
Payments on other operating activities	(6,983,425)	(5,861,384)	(3,850,485)	(4,062,152)	(5,067,052)	(7,044,218)	(5,916,877)	(3,892,235)	(4,111,841)	(5,127,664)
Operating Profit before Changes in Operating Assets and Liabilities	39,887,258	51,145,908	15,281,747	12,969,939	13,576,630	39,983,243	51,223,141	15,319,988	13,013,670	13,561,413
(Increase)/Decrease in Operating Assets :										
Balances with Central Bank of Sri Lanka	9,755,891	(8,058,338)	(1,354,631)	7,087,767	4,013,305	9,755,891	(8,058,338)	(1,354,631)	7,087,767	4,013,305
Financial assets at amortised cost - loans and advances	(10,693,387)	(19,115,338)	(54,727,268)	(18,421,886)	(54,623,855)	(10,693,648)	(19,115,466)	(54,727,317)	(18,421,886)	(54,623,855)
Other Assets	(1,658,330)	(5,063,032)	103,576	178,558	(2,784,945)	(1,432,965)	(5,106,545)	94,723	125,778	7,341
Increase/(Decrease) in Operating Liabilities :										
Financial liabilities at amortised cost - due to depositors	40,755,818	49,236,984	49,744,819	40,673,176	42,076,603	40,755,818	49,236,984	49,744,819	40,673,176	42,076,603
Financial liabilities at amortised cost - due to debt securities holders	(5,045,727)	9,238,188	89,286	(5,824,851)	(12,663,143)	(5,045,727)	9,238,188	89,286	(5,824,851)	(12,663,143)
Financial liabilities at amortised cost - due to other borrowers	8,668	188	(6,828)	(9,284)	(8,611)	8,668	188	(6,828)	(9,284)	(8,611)
Other Liabilities	1,443,681	(7,677,735)	181,437	(704,858)	1,061,064	1,138,781	(7,653,888)	262,403	(787,487)	(1,704,826)
Due to banks	(61,274)	(12,346,357)	(8,175,300)	3,910,058	2,390,848	(61,274)	(12,346,357)	(8,175,300)	3,910,058	2,390,848
Cash Generated from Operations	74,392,598	57,360,468	1,136,838	39,858,619	(6,962,104)	74,408,787	57,417,907	1,247,143	39,766,941	(6,950,925)
Income Tax Paid	(6,493,992)	(2,138,520)	(1,242,538)	(976,468)	(1,827,863)	(6,520,672)	(2,138,520)	(1,242,538)	(976,468)	(1,829,340)
Surcharge Tax Paid	-	(1,168,335)	-	-	-	-	(1,168,335)	-	-	-
Net Cash (Used in) Generated from Operating Activities	67,898,606	54,053,613	(105,700)	38,882,151	(8,789,967)	67,888,115	54,111,052	4,605	38,790,473	(8,780,265)
Cash Flows from Investing Activities										
Purchase of property, plant & equipment	(755,207)	(192,907)	(312,432)	(512,836)	(1,321,767)	(758,251)	(197,090)	(356,854)	(528,926)	(1,374,033)
Improvements to investment properties	-	-	-	-	-	(31,213)	(43,087)	(33,725)	(18,863)	(20,357)
Proceeds from sale of property, plant and equipment	7,681	2,359	10,323	15,896	38,302	7,681	2,359	10,323	15,896	38,308
Net proceeds from Sale, maturity and purchase of financial investments of government of Sri Lanka Treasury Bills/Bonds and Development Bonds maturing after 03 months	(1,701,728)	(11,411,748)	4,966,410	(19,049,799)	4,826,187	(1,623,810)	(11,489,675)	4,966,410	(19,049,799)	4,826,187
Net proceeds from sale, maturity and purchase of financial investments of shares and debentures	108,509	47,606	767,816	36,381	124,660	158,406	58,572	772,153	31,929	117,946
Reverse repurchase agreements maturing after three months	-	-	1,801	4,433	1,819	-	-	1,801	4,433	1,819
Net purchase of intangible assets	(210,914)	(102,672)	(149,882)	(177,129)	(185,862)	(210,914)	(102,672)	(149,882)	(177,129)	(185,862)
Dividend received from investment in subsidiaries	106,419	146,065	125,199	114,765	89,726	-	-	-	-	-
Dividend received from other investments	16,296	16,446	32,674	19,173	24,989	16,296	16,446	32,674	19,173	24,989
Net Cash (Used in) / Generated from Investing Activities	(2,428,944)	(11,494,851)	5,441,909	(19,549,116)	3,598,054	(2,441,805)	(11,755,147)	5,242,900	(19,703,286)	3,428,997

Annexure 1: Five Year Summary (Continued)
STATEMENT OF CASH FLOWS (CONTINUED)

	Bank					Group				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash Flows from Financing Activities										
Net proceeds from the issue of ordinary share capital	-	-	-	-	4,389,238	-	-	-	-	4,389,238
Net proceeds from the issue of subordinated debt	5,000,000	-	6,000,000	-	5,000,000	5,000,000	-	6,000,000	-	4,971,000
Repayment of subordinated debt	(7,182,280)	-	(1,727,720)	(2,806,040)	(1,866,550)	(7,082,280)	-	(1,727,720)	(2,806,040)	(1,866,550)
Interest paid on subordinated debt	(2,494,469)	(2,589,596)	(2,261,775)	(2,232,788)	(1,577,377)	(2,490,131)	(2,578,780)	(2,250,959)	(2,221,972)	(1,561,452)
Interest paid on un-subordinated debt	-	-	-	(241,770)	(402,293)	-	-	-	(241,770)	(402,293)
Dividend paid to non-controlling interest	-	-	-	-	-	(49,744)	(57,343)	(42,931)	(49,720)	(54,302)
Dividend paid to shareholders of the bank	(8)	(886)	(229)	(502,788)	(287,567)	(8)	(886)	(229)	(502,788)	(287,567)
Repayment of Principal Portion of Lease Liabilities	(792,238)	(752,565)	(822,434)	(750,450)	(748,544)	(507,121)	(474,202)	(537,647)	(465,698)	(521,812)
Net Cash (Used in) Generated from Financing Activities	(5,468,995)	(3,343,047)	1,187,842	(6,533,836)	4,506,907	(5,129,284)	(3,111,211)	1,440,514	(6,287,988)	4,666,262
Net Increase / (Decrease) in Cash and Cash Equivalents	60,000,667	39,215,715	6,524,051	12,799,199	(685,006)	60,317,026	39,244,694	6,688,019	12,799,199	(685,006)
Cash and Cash Equivalents at beginning of the Year	83,255,632	44,039,917	37,515,866	24,716,667	25,401,673	83,449,117	44,204,423	37,516,404	24,717,205	25,402,211
Cash and Cash Equivalents at end of the Year	143,256,299	83,255,632	44,039,917	37,515,866	24,716,667	143,766,143	83,449,117	44,204,423	37,516,404	24,717,205
Reconciliation of Cash and Cash Equivalents										
Cash and cash equivalents	49,034,834	40,402,164	16,113,653	10,044,937	11,775,495	49,034,874	40,402,204	16,113,693	10,044,977	11,775,535
Placements with banks and finance companies	22,175,550	1,828,177	8,288,351	10,784,450	1,179,174	22,176,048	1,828,675	8,288,849	10,784,948	1,179,672
Government of Sri Lanka Treasury Bills/Bonds and Development Bonds maturing within 03 months	71,228,765	37,396,742	9,608,882	10,543,586	6,601,739	71,738,071	37,589,689	9,772,850	10,543,586	6,601,739
Securities purchased under resale agreements maturing within three months	817,150	3,628,549	10,029,031	6,142,893	5,160,259	817,150	3,628,549	10,029,031	6,142,893	5,160,259
	143,256,299	83,255,632	44,039,917	37,515,866	24,716,667	143,766,143	83,449,117	44,204,423	37,516,404	24,717,205