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Sajith terms President's threats to citizenry 'cowardly and barbaric'

SJB Leader charges President is admitting he would oppress the people as the gatekeeper of a distorted Govt. created without the will of the people Assures SJB will protect the people against President's threats

OPPOSITION Leader Sajith Premadasa yesterday slammed the comments made by President Ranil Wickremesinghe in Parliament on Wednesday, claiming he would not allow for yet another 'Aragalaya' to raise its head. Premadasa, the lead-



er of the Samagi Jana Balawegaya (SJB) called

President's refusal to call for polls unsurprising: Sajith

OPPOSITION Leader Sajith Premadasa yesterday said President Ranil Wickremesinghe's statement claiming he will not call for a parliamentary election is unsurprising. Speaking in Parliament Premadasa said Ranil



Wickremesinghe was appointed to the posi-

tion as an unelected lone national list MP who was appointed as Prime Minister by the former President and then went on to become President by receiving a majority of votes in Parliament.

the statement cowardly and barbaric and said he condemns it with deep disgust. "The statement made by

the President who took over power from the Rajapaksas who fled after being defeated can be regarded as a rep-

rehensible and autocratic one through the use of that power," Premadasa said.

CBSL fires first shot over excessive rise in interest rates

Monetary Board concerned over anomalous rise in market lending and deposit interest rates Governor says CB will intervene only if markets fail to respond Warns failure by markets to respond will result in reintroducing deposit and lending caps Reiterates hope of interest rates stabilising Private sector credit contracts for fifth consecutive month



However, he said that in the event market will not react, the Central Bank will opt for other administrative measures. "I prefer not to come up with administrative measures but to let the market itself adjust and respond to the situation. We will first monitor how the markets will respond. If markets are not responding, we will then intervene if necessary," he added.

Monetary Board keeps policy rates unchanged

Says prevailing policy stance necessary to restraint in any underlying demand pressures in economy CB Governor Dr. Nandalal Weerasinghe says results of unchanged stance on policy rates already evident Expects to move forward on a stable economy for revival and growth Yields on Government securities to shrink ahead of debt restructuring process

THE Monetary Board of the Central Bank of Sri Lanka yesterday announced an unchanged stance on

policy rates, to contain any demand-driven inflationary pressures in the economy after assessing the current and expected macroeconomic developments. Policy rates were last revised in July by 100 basis points - Standing Deposit Facility Rate to 14.50% and Standing Lending Facility Rate to 15.50% whilst in April the tightest action came with a 700 basis points increase doubling the rates. The Board was of the view that the prevailing tight monetary policy stance is necessary to restrain any underlying demand pressures in the economy.

BY CHARUMINI DE SILVA

THE banking regulator yesterday said it will only intervene if markets fail to respond, expressing that the liquidity position is also recuperating. "We expect liquidity position will also move in the same direction of inflation deceleration path," Central Bank Governor Dr. Nandalal Weerasinghe said at the post-Monetary Policy Review Meeting yesterday.

Dr. Weerasinghe said failure by the markets to respond accordingly

would result in reintroducing mechanisms such as deposit and lending caps. When asked if long-term rates falling faster

than short terms were positive or negative on the market, the Governor explained it as a good sign.

State Minister of Finance justifies lifting of import ban on 78 items

STATE Minister of Finance Ranjith Siambalapitiya yesterday justified the Government's decision to lift the import ban on 78 items citing that it was to support the industries and tourism sectors.



He pointed out that there are many goods needed for the development of tourism and industries. As per the eased import restrictions on several items include; refrigerators, freezers, clothes, ceramic goods, tiles, washing machines, radios, water heaters, brake liners and brake pads.

Nine banks to go under asset quality review

CENTRAL Bank Deputy Governor Yvette Fernando yesterday said nine banks that have been identified as having asset quality stress will be reviewed soon. "It is (asset quality review) yet to start. We are in the final stage of appointing reviewers," she said in response to a query posed by journalists at the post-Monetary Policy Review Meeting yesterday.



In February, Fitch Ratings warned that Sri Lanka's banks are likely to face continued

asset-quality pressure in 2022, as rising macroeconomic stresses stemming from the sovereign credit profile pose a threat to borrowers' repayment capacity, alongside the conclusion of most relief measures in 2021.

Overall positive bank NOPs: Governor

THE Central Bank Governor Dr. Nandalal Weerasinghe yesterday declared an overall positive bank net open position (NOP) after being gripped by the worst monetary crisis in Sri Lanka.

Expolanka looking for more acquisitions

SRI Lanka's most valuable listed entity Expolanka Holdings PLC yesterday disclosed that it is looking for more acquisitions. In a filing to the Colombo Stock Exchange, Expolanka said the company has submitted proposals in response to calls for expressions of interest for the acquisition of certain logistic companies, in international markets pursuant to its overall policy to expand its global business. "The Board wishes to emphasise however, that such expressions of interest have not been accepted to date. Moreover, any finality to such transactions, if they are proceeded with, will be dependent on standard pre-acquisition procedures such as due diligence as well as corporate and regulatory approvals," Expolanka said.

Eran calls for dedicated institution to facilitate e-Government

MAIN Opposition Samagi Jana Balawegaya (SJB) Parliamentarian Eran Wickramaratne yesterday called for a dedicated institution to facilitate the much needed e-Government. Speaking in Parliament on the vote of Ministries of Defence and Technology, Wickramaratne said

that the present ICT agency - ICTA was created when the President Ranil Wickremesinghe was the Prime Minister in 2002 when he headed a committee while work-

ing as a CEO in a private bank.



ing as a CEO in a private bank.

Sabry highlights prowess of Indian Ocean Rim countries



FOREIGN Affairs Minister Ali Sabry yesterday declared that the Indian Ocean Rim Association could transform and translate the future of the region if all countries pool and synergise all ideas and visions together. He made this emphasis during his address at the 22nd Indian Ocean Rim Association (IORA) Council of Ministers' Meeting (COM)

in Dhaka, Bangladesh yesterday. The Grouping has 23-member countries with a combined population of over 2.7 billion. Speaking as the IORA Vice Chair, Minister Sabry said for centuries, the Indian Ocean has been part of Sri Lanka's strategic, security and political chronicle. "Building up from the past as

a country that has demonstrated significant openness to trade, today we are poised and positioned to be one of the major trading hubs in the Indian Ocean. Therefore, Sri Lanka's commitment for the matters that concern the Indian Ocean remain at the heart of Sri Lanka's current economic and foreign policy," Sabry said.

Sri Lanka among Condé Nast Traveller readers' favourite destinations

SRI Lanka has been included among the 20 Best Countries in the World as per 2022 Readers' Choice Awards conducted by the popular and influential magazine Condé Nast Traveller. Italy tops the list, while Sri Lanka was ranked at number 17 ahead of Israel, Turkey and South Africa respectively. "As Sri Lanka has worked in recent years to secure its spot as a global tourism contender, it has faced quite a few challenges, from the

2019 Easter Sunday bombings to the pandemic, and it's looking to regain the trust of visitors with its trademark hospitality and good nature—not to mention an ever-expanding roster of new hotels and resorts," Conde Nast Traveller said. Europe dominated this year's list of the countries Traveller readers have been choosing to go—matching what they were probably seeing all over Instagram.

Airtel continues investments with BOI to upgrade telco infrastructure

FASTEST growing telco, Airtel Sri Lanka, yesterday announced another landmark agreement with the Board of Investment of Sri Lanka (BOI) that will channel foreign currency investments towards the development of national telecommunications infrastructure, with emphasis on expansion and optimisation of networks and IT systems.



Accordingly, over the next two years, Airtel will be channelling its latest round of investments towards additional enhancements to its network, in addition to

introducing significant software upgrades, in order to strengthen 2G and 4G services island-wide.



Ceylon Tea ready to serve the world with greater flavour in 2023

Tea Board encourages growers to increase yields to meet demand Targets 290 million kg crop; \$1.4 b exports in 2023

THE Sri Lanka Tea Board yesterday expressed confidence in achieving a crop of 290 million kilograms in 2023 with revenues of up to \$1.4 billion. During last month's tea auction, Sri Lanka recorded its highest FOB price of \$ 5.72 per kilogram. With fertiliser made available to RPCs and smallholders, the Tea Board expects sales to catch up and shore up external finances. In 2013, Sri Lanka had recorded 340 million kilograms which was the highest ever, but the numbers have not crossed the

300 mark since. During the first 10 months of this year, there is a 18.3% reduction or 40 million kilograms versus 2001. However, there is only a 9.5% reduction in exports due to a high carryover from last year and 211 million kilograms have already been shipped. Tea Board Chairman Niraj De Mel told a media briefing that 2022 has been a challenging year but over 46 auctions have already been held this year, but on average there is a drop of 1 to 1.15 million kilograms from the average weekly offering this year, which impacts the front-end. Buyers of Ceylon Tea have been clamouring to buy the stocks on offer and this demand has driven prices up, he added.

Gotabaya Rajapaksa summoned to court over pardoning murder convict

THE Supreme Court yesterday issued a notice to former President Gotabaya Rajapaksa asking him to state his facts regarding the granting of presidential pardon to former MP Duminda Silva, who was sentenced to death for murder of former MP Bharata Lakshman Premachandra in 2011.

The court issued notice to former President Gotabaya Rajapaksa to present his facts in response to a fundamental rights petition filed requesting the court to annul the decision to release him by granting a presidential pardon.

Accordingly, the Supreme Court has issued a notice to state the facts on 16 December.

Several people, including former MP Hirunika Premachandra, the daughter of Bharata Lakshman Premachandra and his wife Sumana Premachandra, have filed these peti-



Former President Gotabaya Rajapaksa

tions asking for an order to revoke the presidential pardon granted to Duminda Silva.

Silva was sentenced to death on 8 September 2016 but was released on 24 June 2021 under a presidential pardon granted by the then President Gotabaya Rajapaksa.



NLB presents first ticket of 5,000th 'Mahajana Sampatha' lottery draw to President

THE sale of the first ticket of the 5,000th lottery draw of the 'Mahajana Sampatha' was presented to President Ranil Wickremesinghe yesterday. The 'Mahajana Sampatha' lottery Draw took place at the Parliament premises.

National Lotteries Board Acting Chairman PC Ronald C. Perera presented the ticket to the President. Senior Advisor to the President on National Security and Chief of Staff to the

President Sagala Ratnayake, Adviser to the President on Parliamentary Affairs Professor Ashu Marasinghe, National Lotteries Board General Manager Attorney Hashini Jayasekara, Board members D.D. Jayasiri, Attorney-at-Law Asanka Randeniya, Assistant General Manager (Sales) Menura Chaturanga, Assistant General Manager (Procurement) Suneth Jayawardena and others were present on this occasion.

Private Member's Bill to facilitate snap presidential poll in 2023

- **Prof. Channa Jayasumana says President must obtain a mandate to implement policy reforms**
- **Claims due to Wickremesinghe's past failures, attempts to initiate reforms without a mandate will create unrest**
- **Private Member's Bill will propose elections to be held in a year when a successive President is elected through Parliament**

SRI Lanka Podujana Peramuna dissident MP Channa Jayasumana says a Private Member's Bill will be presented to Parliament shortly, allowing for a presidential election to be held in the near future. Jayasumana said the bill will pro-

pose a constitutional amendment requiring a presidential election be held within a year's time after a successive President is appointed by Parliament in the event of a President's demise or resignation.

Joining the debate on the Ministry of Defence budget, Jayasumana said if Wickremesinghe who replaced Gotabaya Rajapaksa as the President wishes to take policy decisions regarding issues of national security or other matters, he must obtain a new mandate.

"According to the Constitution, a President can call for a presidential election after four years, but it is unclear whether a successive President will be entitled to it. Therefore, the opinion of the Supreme Court must be sought in this regard," the MP said.



MP Channa Jayasumana

Jayasumana said the basic principles of democracy are violated when a successive President is appointed through a vote in Parliament for five years if a President dies while in office or steps down.

He said therefore, a Private Member's Bill will be presented proposing a constitutional amendment requiring a presidential election in a year's time after a successive President is appointed.

"We hope to get it passed so that it will apply to Wickremesinghe as well. This would allow for a presidential election to be held in July 2023. If he wins this election, he can implement the political, economic and defence reforms planned," he said.

He pointed out that Wickremesinghe's reforms were defeated at the hands of the people in 1994, 2004 and 2019. "Therefore, if they are carried out now without a people's mandate, there will be serious unrest, instability and opposition in the country," he noted.

Anwar Ibrahim sworn in as Malaysia's Prime Minister

KUALA LUMPUR, AFP: Malaysia's perennial Opposition Leader Anwar Ibrahim was sworn in as Prime Minister before the King in Kuala Lumpur Thursday, ending a five-day political impasse after inconclusive polls.

The ceremony at the palace closes the chapter on one of the most dramatic elections in Malaysia's history, after no party managed to secure a majority to form a Parliament for the first time since independence in 1957.

Anwar's ascension to the premiership caps a turbulent

political life, which has not only propelled him into the corridors of power but also landed him inside a jail cell.

"I, Anwar Ibrahim, after being appointed to hold the position of Prime Minister, solemnly swear that I will honestly fulfil that duty with all my efforts and that I will devote my true loyalty to Malaysia," the 75-year-old said while dressed in traditional Malaysian clothing.

In the capital Kuala Lumpur, Anwar's supporters were in a celebratory mood.

Campaigning on an anti-graft message, Anwar's mul-

ti-ethnic Pakatan Harapan coalition won the most seats in the weekend's election with 82.

But it still fell short of the 112 required for a majority.

In an attempt to break the deadlock, the King had summoned Anwar and former Prime Minister Muhyiddin Yassin, whose Perikatan Nasional bloc came in second place with 73 seats. But no deal could be struck.

The King held a special meeting with other royals earlier Thursday before the palace announced Anwar as the new premier.



Malaysia's newly appointed Prime Minister Anwar Ibrahim waves from his car as he arrives to take part in the swearing - AFP

Continuations from Page 1

Sajith...

Premadasa said the Aragalaya was launched by the people of this country and any future Aragalaya will also be carried out by the citizenry. "Therefore, the President is admitting he would oppress the country's people," he noted.

Premadasa accused Wickremesinghe of facilitating the Rajapaksa's after their defeat against the people of the Aragalaya who banded together casting aside all divides to rid the country of the Rajapaksa regime which was taking the country towards a dark economic abyss.

"He is now the gatekeeper of a distorted Government created without the mandate of the people. If the President who was appointed through the backdoor and is now under the protection of a group of economy killers believes his cowardly statements would instil fear in the people, I must remind him of the political revolution that took place several months ago," he said.

Premadasa said Wickremesinghe who does not believe in a people's will and sovereignty would not be allowed to carry out a fascist-type program in Sri Lanka. "The Samagi Jana Balawegaya will stand against any such acts and ensure the President or Government be forced to reverse any steps taken in this regard," he said.

Calling Wickremesinghe a puppet of the killers of the country's economy, Premadasa said the people however are not such puppets.

"His inflated statement makes it clear he will launch acts of oppression against the people. But we will not heed such threats," the Opposition leader said, calling on the people to also ignore the comments by the President. He assured the SJB would protect the people against any such threat from the country's rulers.

President's...

"Therefore, he has no trust in the country's universal suffrage. He does not trust in the people's right to vote," he said.

"But even as the President claimed he will not hold an election, a group of slaves in Parliament clapped for that statement as well. What kind of people's representatives cheer when one says elections will not be held?" he asked.

Commenting on the President's statement on obstructing any future unauthorised protests by deploying the military, Premadasa said the SJB will not allow for it. "There is no such space for such acts in this country. Any peaceful people's protest can be held in this country. We will strengthen and lead them. No one will be able to stop it," he stressed.

CBSL...

"Inflation is falling, liquidity in the dollar market is improving, and the inter-bank liquidity shortage has also reduced," he said.

He asserted that to ensure liquidity and an effective market, it is essential for the market to adjust and not allow the Central Bank to

intervene. "I can see market sentiments are improving and hopefully the interest rates will stabilise too," Dr. Weerasinghe added.

In its post-Monetary Policy Review meeting statement, CBSL said Monetary Board had noted with concern the anomalous rise in market interest rates, particularly deposit interest rates and short-term lending interest rates. This was despite the recent improvements in overall money market conditions and the adverse implications on business and economic activity.

It said that market deposit interest rates have risen notably disproportionate to the adjustment in the policy interest rates. The continued excessive upward adjustment in market interest rates, despite the improvements in domestic money market liquidity and the deceleration of inflation, has resulted in persistent anomalies in the interest rate structure.

The Central Bank said it would expect a moderation of excessive market interest rates, in line with the prevailing policy interest rates.

"If an appropriate downward adjustment in the market interest rates would not take place in line with the envisaged disinflation path, the Central Bank will be compelled to impose administrative measures to prevent any undue movements in market interest rates," it warned.

CBSL also announced that outstanding credit extended to the private sector by commercial banks is expected to have contracted for the fifth consecutive month in October 2022, reflecting the impact of increased market lending interest rates and the moderation in economic activity.

Separately, yields on Government securities are showing some signs of easing recently and are expected to moderate further.

"Going forward, the anomaly in market interest rates is expected to be rectified, benefiting mainly from the notable reduction in the overall money market liquidity deficit and the anchoring of inflation expectations in line with the envisaged disinflation path," CBSL said.

Further, the high risk premia attached to the yields on Government securities are expected to shrink in the period ahead as the debt restructuring process progresses and fiscal sector performance improves with the consolidation measures in place.

The Board was of the view that the prevailing tight monetary policy stance is necessary to rein in any underlying demand pressures in the economy.

The Monetary Board also reiterated its continued commitment to restoring price stability and ensuring financial system stability and remains confident that inflation would follow the projected disinflation path underpinned by the prevailing monetary policy stance, while supporting the economy to reach its potential over the medium-term. "The Board remains ready to react appropriately to any materialisation of risks to the forecast," CBSL added.

Monetary...

"We have been tightening the Monetary Policy since last year's August and it was further tightened in April and July. Many interpret that the Central Bank policy stance shrank the economy significantly but what we did was rescue an over-expanded economy from being burst.

"Our economy was similar to an over-inflated balloon which was about to burst and through the measures we introduced, we mitigated it from rupture. As a result, we have been able to bring down the inflation and secure our medicine, fuel and other essential food items," Central Bank Governor Dr. Nandalal Weerasinghe told journalists yesterday.

Noting that the political instability was seen repeatedly, the Governor noted that the Central Bank did not let the same happen to the economy and that they now expect to move forward with a stable economy for revival and growth.

As per the Central Bank, the real economy is expected to contract in 2022, impacted by the stability-oriented policy measures that led to tightened monetary and fiscal conditions, along with supply-side constraints and pre-emptive uncertainties, among others.

Nevertheless, economic activity is expected to make a gradual, yet sustainable recovery, supported by envisaged improvements in supply conditions, improved market confidence, and the impact of corrective policy measures being implemented to stabilise the economic conditions.

The Board also noted with concern the anomalous rise in market interest rates, particularly deposit interest rates and short-term lending interest rates, despite the recent improvements in overall money market conditions and the adverse implications on business and economic activity. The Central Bank would expect a moderation of excessive market interest rates, in line with the prevailing policy interest rates.

"If an appropriate downward adjustment in the market interest rates would not take place in line with the envisaged disinflation path, the Central Bank will be compelled to impose administrative measures to prevent any undue movements in market interest rates," the statement added.

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"The Board remains ready to react appropriately to any materialisation of risks to the forecast," it added.

Sri Lanka...

"Now in its 35th year, our annual Readers' Choice Awards continues to capture the travel experiences our readers love best, from hotels and airlines to cruises and islands. Plus: Odes to the properties that keep you coming back, meditations on beloved cities, and more," it added.

Following was its description on Sri Lanka:

"This South Asian nation packs a wallop into a teardrop-shaped island that's only slightly larger than the State of West Virginia: Think high-elevation tea plantations that are eye-vibratingly green, national parks where sloth bears and endangered elephants roam, and friendly surf towns that, if you squint, might remind you of Costa Rica or Nicaragua 10 years ago. (May we suggest Ahangama, with its indie-music venues, locavore cafés, and eco-boutiques?)

And then there's the capital city of Colombo, where you can shop for local spices, fly kites along the waterfront, or even charter a yacht. As Sri Lanka has worked in recent years to secure its spot as a global tourism contender, it has faced quite a few challenges, from the 2019 Easter Sunday bombings to the pandemic and it's looking to regain the trust of visitors with its trademark hospitality and good-nature—not to mention an ever-expanding roster of new hotels and resorts."

In its ranking, published on 22 November, other destinations listed as favourites in the order of rankings are Japan, Thailand, Singapore, India, Greece, Denmark, UK, Italy, New Zealand, Spain, Netherlands, Ireland, Croatia, Morocco and Sweden.

Airtel...

"Since our entry into Sri Lanka in 2007, Airtel has continuously invested to develop a world class network. These efforts are empowering more than three million Sri Lankans to stay connected, in addition to providing more than 2,000 direct and indirect employment opportunities and generating income for a further 65,000 Sri Lankans through our extensive distribution network," Airtel Sri Lanka MD/CEO Ashish Chandra said.

"Particularly at a time when every foreign direct investment into Sri Lanka has become vital, our investment demonstrates Airtel's continuing confidence in the resilience and vast potential of the Sri Lankan people, and recommit ourselves to the nation-wide efforts to help revive the Sri Lankan economy," Chandra added.

Airtel will also be replacing or upgrading existing network infrastructure including but not limited to its core network, as well as introducing significant software upgrades.

Moving forward, Ashish also stated that Airtel Sri Lanka will continue to pursue every opportunity to support the development of the Sri Lankan telco sector. In particular, he noted that the company would leverage on Airtel's unique strength as one of the top three largest telco's in the world in order to create cross-border synergies and facilitate strategic investments towards the creation of vibrant 5G ecosystems in Sri Lanka.

"We are grateful to Airtel Sri Lanka for stepping forward at a crucial moment for the nation, and with such a substantial foreign direct investment. This major contribution towards the enhancement of Sri Lanka's ICT infrastructure will also create new opportunities across all sectors of the economy, and stands as an ideal example of the kind of FDI inflows we are working to generate," BOI Chairman Raja Edirisuriya stated.

The recent agreement marks the latest in a series of foreign direct investments made by Airtel Sri Lanka into enhancing mobile telco experiences for the average Sri Lankan. These measures follow on upgrades made by Airtel to its presence, capacity and capabilities in the Sri Lankan market. Most recently, these included the launch of Airtel's revolutionary 4G Freedom Unlimited packages, and its record-breaking 5G trials.

Ceylon...

There are over 500,000 smallholders in the country who have benefited immensely from new rates, which have risen to almost Rs. 300 a kilogram from the previous price of Rs. 90. Over three million labourers are employed through smallholder plantations.

De Mel urged planters to enhance productivity and increase yields to up over 600 kg an acre, which would help boost national volumes. He remarked there is demand for Ceylon Tea from its traditional buyers and a new global campaign would be launched from January 2023 to reach out to new markets. A sum of \$ 1.5 million has been allocated for the promotion.

The Tea Board requested producers to improve yield and conduct plucks on a weekly basis in order to improve the quality of the leaf and sustainability of the tea bush.

Nine banks...

"We believe Sri Lankan banks face added asset-quality pressure from their Government securities holdings, particularly those denominated in foreign currency which accounted for around 6.5% of Fitch-rated banks' total assets at end-9M21," the rating agency noted.

The Deputy Governor also said the review of the banks will be conducted in a phased manner. "We will review six banks in the first phase and another three banks thereafter," Fernando added.

In April, Fitch Ratings again placed the National Long-Term Ratings of 13 Sri Lankan banks on Rating Watch Negative (RWN).

The banks include; People's Bank, Commercial Bank of Ceylon PLC, Hutton National Bank PLC, Sampath Bank PLC,

National Development Bank PLC, DFCC Bank PLC, Seylan Bank PLC, Nations Trust Bank PLC, Pan Asia Banking Corporation PLC, Union Bank of Colombo PLC, Amana Bank PLC, SANASA Development Bank PLC and Housing Development Finance Corporation Bank of Sri Lanka.

Overall...

Given the situation, the Central Bank in July gave some flexibility for banks on a prudential basis to manage without imposing strict NOP positions.

"There were some banks, but now we have allowed them to positive NOP positions. Because some of the SLDB (Sri Lanka Development Bond) settlements were from foreign currency and the Government is settling in Treasury bills and bonds for rupees," he said at the post-Monetary Policy Review meeting yesterday.

Several banks were facing problems honouring swaps and also letters of credit, particularly to oil suppliers, amidst the severe foreign exchange crisis.

The CBSL prescribes maximum NOP limits for LCs and closely monitors the activities in the domestic foreign exchange market to ensure the orderly functioning of the market.

"They are all within the limit now and we have given them the opportunity to declare their positive position," Dr Weerasinghe said.

Eran...

"Even now, the problem is retaining the best people in the field in a typical Government service where market rates are much higher than for the senior civil officers in the public sector," he said.

"The use of Information Communication Technology is very important as it is a huge export income sector bringing in around 1.7 billion dollars, which is second only to the garments industry. The potential of its expansion is much higher, expecting a \$ 3 billion export revenue to the country by 2024," the SJB MP said.

Therefore, Wickramaratne said that the Government should encourage ICT industry as a key export. "But it has put taxes on it at 30% which is a discrimination. The Government's role in ICT is very critical and important. The President in his budget speech mentioned his dissatisfaction with the Government institution promoting ICT and promised to appoint a committee to go into it while mentioning the closure of the ICTA," he said.

On the need for the ICTA to continue, Wickramaratne said that over 25,000 public servants and 650 leaders have been trained to handle the e-Government digital infrastructure and the Lanka gateway system. This digital infrastructure has been created by ICTA for the Government with the whole idea of having one Government together with ICT," he said.

He emphasised that when the ICTA was created, the problem was retaining the best people in the field in a typical Government service where market rates are much higher

than for the senior civil officers in the public sector. Wickramaratne concluded by saying that we need to ensure that we have an organisation in Government to facilitate implementing ICT programs with critical people in the saddle.

State Minister...

A Gazette notification in this regard was issued by Finance Minister on Wednesday.

State Minister of Finance said that import restrictions have been removed by the Government for 15 items based on the recommendations of the Import and Export Controller and respective authorities in those fields. These include; cosmetics, perfumes, dental and hygiene products.

He noted that to import these goods needed the recommendation of the National Medicines Regulatory Authority (NMRA) Chief Executive Officer and Sri Lanka Tourism Development Authority (SLTDA) Director General.

On 23 August, the Government restricted the import of 1,468 HS code items following the ongoing foreign exchange crisis.

However, he said considering the fair demands received from various parties; the Government took steps to remove the ban on 708 goods as of 9 September.

Sabry...

"Through our advancement as an Indian Ocean hub concept, Sri Lanka has emerged as one of the most vital shipping lanes and hubs in the South Asian region since around two-third of the oil and half of the container shipment of the world passes from the Southern part of Sri Lanka. Sri Lanka thus, has become important for the security of sea lines of communications and in maintaining the freedom of navigation in the Indian Ocean.

"Sri Lanka's geographic location and its access to regional markets add immensely to its economic and commercial interests, and as the region has also evolved as a platform for projection of power by major power players," he emphasised.

Sabry also said that Sri Lanka remains committed to a safe, secure Indian ocean and sustainable use of its maritime resources.

"We stress that Sri Lanka's interests in the IORA and the region of the Indian Ocean are of paramount importance for the country. It is with this driving agenda that we will be seeking to assume the Chairmanship of the IORA next year with a firm conviction to further expand and elevate the scope of the organisation to be more relevant and applicable to the rising significance of the Indian Ocean," Minister Sabry added.

Expolanka...

"The Board will ensure that the public will be kept duly informed of any progress," it added. Last financial year, Expolanka made three strategic acquisitions investing \$ 18 million in expanding its operations in the Americas.



Afghanistan Tour of Sri Lanka 2022



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Business

E.B. Creasy ups 1H Group PBT by 203% to Rs. 1.3 b

DESPITE numerous macroeconomic challenges, the E.B. Creasy Group, once again, was resilient and posted a record performance in the first half of the current financial year, driven by outstanding results in its core segments of Homecare, Personal and Healthcare, and in industrial sales to the Foods sector. Group profitability, however, came under considerable pressure due to the high cost of working capital financing, and increased revenue-based taxes, as the Group did not pass on rising indirect taxes to consumers.

Cumulative Group Revenue and PBT (Profit Before Tax) stood at Rs. 11.37 billion and Rs. 1.3 billion, respectively, both reporting an increase of 48% and 203%, respectively, over same period in the year prior. The performances were positively impacted by new businesses, particularly in the industrial sector, whilst exchange losses and high finance

costs negatively impacted profitability. Commenting on the Group's 1st Half Performance an E.B. Creasy spokesperson said: "We are encouraged by the progress we have made in the first half of the financial year, with numerous strategies put into execution to achieve working capital efficiencies in our core business segments, whilst harnessing

extra returns from investments in new business opportunities."

"The present business climate has presented a set of unprecedented challenges to our management teams, and demands innovation, agility and a sense of urgency, to respond and adapt swiftly to a highly dynamic economic environment. Still, even

in this unprecedented business climate, the Group remains determined to fulfil its objective of seeking sustainable and profitable growth, and maintaining acceptable levels of return on capital employed, whilst constantly delivering on our commitments to our valued stakeholders," spokesperson added.

In keeping with its commitment to stakeholders, the Group paid an Interim Dividend of One Rupee per share at the end of September 2022, distributing Rs. 253.5 million to shareholders. The Group also paid out a total dividend of Rs. 380.3 million in the previous financial year, in line with the Group's Dividend Policy.

Discussing future expectations, a company spokesperson added: "While we observe a contraction in consumer spending due to tighter fiscal and monetary policies, we also observe that the policy framework being adopted is guiding the economy towards a stable new norm, which we will have to operate in. In these difficult times, we remain confident that the Group will return acceptable results in the current year, and we look forward to continuing to deliver exceptional value to all stakeholders."



NAITA-HUAWEI Asia-Pacific Academy awards certificates to first batch students

NATIONAL Apprentice and Industrial Training Authority (NAITA) in collaboration with leading ICT solutions provider Huawei, has recently awarded certificates to first batch of 240 students, who participated the advanced technology in telecommunication.



The NAITA-Huawei Asia-Pacific Academy, is a substantial development initiative for ICT talents focusing on vocational students, followed by the signing of MoU between NAITA and Huawei Sri Lanka in July 2021, to enhance the students with theories and actually skills for ICT infrastructure development.

This initiative includes the construction of 1:1 simulates construction site to allow students to practice main scenarios of telecom hardware installation, as well as theoretical studies with professional teachers with standardized quality awareness, to leverage the students' competence and qualifications.

NAITA Chairman Ruchika Amarasekara said: "Technology is fast evolving, emerging ICT technologies such as 5G, IoT, AI and cloud, will be shaping the development and implementation of digital economy. We are thankful to our partner Huawei, to come up and enable our youth with cutting edge technologies with latest practice and experiences, which been actually needed by the telecom industry."

Huawei Sri Lanka CEO Tao Guangyao said: "Today we have the first batch of young talents' who participated this joint program, of course we will definitely not stop here. We are looking forward to enhance our partnership with NAITA in the coming years, together to elevate the competitiveness of young Sri Lankans

to help this beautiful country to emerge digital economy."

Huawei said ICT Technologies is key to optimises the operation of society, to achieve Societal well-being, sustainable development and friendly living space. Along with the investment on infrastructure, the development of talented ICT workforce could be the critical of success of digital transformation.

In Sri Lanka, Huawei has been working closely with various stakeholders to develop ICT talent. NAITA-HUAWEI Asia-Pacific Academy would further contribute to enhance vocational education and training for the youth in the telecommunication sector with certificated hardware installation skills which fits the industries' real needs.

Inventors Commission and RDB bank sign MoU to provide loans to inventors

THE Regional Development Bank (RDB) recently signed a Memorandum of Understanding with the Inventors Commission of Sri Lanka to support local inventors and inventions.

The agreement was the outcome of discussions between the two institutions which were renewed and expedited by Sri Lanka Inventors Commission Inventors Commissioner Prof. N.M.S. Sirimuthu who took up office some months back.

Under the agreement, Sri Lankan inventors, depending on the efficacy and marketability of their product, would be provided loans to enable the further development of their invention and for it to be marketed and promoted locally and internationally.

The agreement for the loan scheme was inked between Regional Development Bank (RDB) chairman M. Mahinda Saliya and the Inventors Commissioner Prof. N. M. Sirimuthu at the RDB headquarters in Kelaniya.

The Inventors Commission would be recommending the products for the loan to be provided through an impartial evaluation system and the RDB bank would further assess it and provide the necessary support, following up the necessary loan provision set for the scheme. The loans would be provided at the lowest rates in the market, between 4% and 10% dependent on the prevailing refinancing schemes and interest subsidy loan schemes.

The MoU was described as an historic event effective in its actual implementation in Sri Lanka, where inventors who have strong solutions to national problems can apply for a bank loan based on their patent.

"This loan scheme is a



The signing of the MoU was attended by several respective officials from the RDB Bank, the Inventors Commission as well as relevant State officials and included RDB Bank Chairman, the Inventors Commissioner, Inventors Commission CEO Nalin Dolawatte, Ministry of Education Research and Innovation Director General P.M. Dharmatileke and representing the RDB Bank Credit, Special Project and Policy Implementation Deputy General Manager A.H.M.G. Aberathne, RDB CEO and Chief Financial Officer Sumeda Edirisuriya and other officials

plan that was being discussed by the Inventors Commission and the current Chairman Prof. N. M. S. Sirimuthu revived and expedited the matter by taking personal interest in it," Inventors Commission CEO Nalin Dolawatte explained at the occasion.

"Inventors are the life-line of any nation. That is why many countries provide a wide range of support for inventors. We at the inventors commission have come up with new plans to increase the support base for inventors and to ensure that the receiving of a patent is coupled with many practical support systems," Prof. Sirimuthu stated.

He pointed out that along with modern technology based innovations, the entire gamut of knowledge that the country has inherited as traditional knowledge, such as Traditional medicine (Deshiya Chikitsa and Ayurvedha) are all potential bases for new inventions to maximise the economic potential of the country and the wellbeing of the people. He explained the link between education, invention and entrepreneurship,

stating that there are several collaborations planned by the Inventors Commission to set the above links in motion and that the current priority was ensuring that the economic support for invention linked entrepreneurship is provided.

"For some time it has been a priority of the Inventors Commission of Sri Lanka to have an arrangement with the bank so that once an inventor gets a local or international patent that he or she could be recognised by the banking system as someone having an asset that will act as an equivalent of the standard recognition given by banks to collateral. Therefore the MoU signed today is the beginning of a journey that will take Sri Lanka to a new culture of invention so that the inventor could get a loan on the basis of his patent," Prof. Sirimuthu said.

He highlighted that the Inventors Commission and the RDB bank would work in unison to see that the numbers of loan default would be zero under the new scheme by ensuring the successful marketability and profit making of the product.

He reiterated the fact highlighted by the RDB team that there are a significant number of persons in Sri Lanka overall who are under the crib category (barred from dealing with any bank) as they have failed to repay the loans.

He said that the Regional Development Bank (RDB Bank) and the Inventors Commission would seek to provide awareness on this to inventors who seek to obtain loans under this newly introduced loan scheme so that they could carefully plan for their inventions to be profit making.

The officials of both institutions explained that the RDB was chosen because it was the apex bank, set up by the Central Bank over three decades ago with the explicit purpose of eradicating rural poverty.

"The beginnings of the Regional Development Bank (RDB) can be traced back to as far as 1985 when district level banks under the category of Regional Rural Development Banks were established with a specific mandate to assist the grass root development of the nation," RDB Bank

Chairman Mahinda Saliya said.

He asserted that the bank is working on several new mechanisms to liaise more closely with the media and also to facilitate a holistic monitoring and evaluation system to assist entrepreneurs and inventors better as well as develop new products that will cater to a wide range of social groups to ensure the holistic development of the nation.

"We want the media to take our work to the villages. We have loan schemes we want more and more inventors/entrepreneurs to know about," the RDB chairman said.

He drew attention to the need to create awareness at diverse official levels of the importance of seeing invention as part of the national culture that will contribute to the macro economy in the long term."

"An invention is something that should reach the market at some point and the success of the invention depends on how it faces competition in the market as a product. This is what creates a stimulating backdrop for the rise of entrepreneurship in the country," the RDB Bank Chairman further explained.

RDB bank Deputy General Manager A.H.M.G. Aberathne who had played a pivotal role to assist the Inventors Commission to expedite the new loan scheme for inventors stated that the RDB bank and the Inventors Commission had teamed up with the private sector and that these initiatives would be announced to the media shortly.

Alongside the introduced loan scheme, both the bank and the inventors commission would be working on partnerships with diverse institutions to enable the better reach of local inventions in Sri Lanka and internationally, it was revealed.

Ceylon Chamber and ILO partner to lead youth into entrepreneurship

AS Global Entrepreneurship Week 2022 shines the spotlight on the importance of entrepreneurship to economic growth, the International Labour Organisation in collaboration with the Ceylon Chamber of Commerce is implementing a series of initiatives to facilitate a change in the entrepreneurial ecosystem and bolster young people's transition into the entrepreneurial world.

Conducted under the aegis of ILO's South Asia Leadership in Entrepreneurship (SALE) program, these strategic interventions focus on creating a more enabling environment for aspiring, emerging, and existing young entrepreneurs encouraging empowerment, and addressing systemic barriers to youth entrepreneurship. A combination of advocacy and awareness raising efforts, training, mentorship, ecosystem adaptations, and engagement with policymakers are being implemented towards achieving this.

One of the main initiatives under the programme is the delivery of ILO's Know About Business (KAB) training modules. The Ceylon Chamber, as the principal implementing partner of SALE, conducted a Youth Perception Survey and consulted various stakeholders in order to tailor the KAB training to address youth aspirations. A panel of qualified and experienced trainers were recruited and trained to effectively deliver this customised training, while phase 1 will see this rolled out for 1,000 students in the Galle and Gampaha districts, these efforts will be replicated in several districts next year. These entrepreneurship training programme are intended to inculcate and encourage entrepreneurship among stu-

dents at schools, vocational training institutes and universities.

The establishment of School Entrepreneurship Clubs (E-Clubs) is another initiative under SALE to foster an entrepreneurial mindset among school children, and 10 schools in the Galle and Gampaha districts have thus far established E-Clubs.

Two policy dialogues on the themes of 'Innovative Approaches to Reach Youth Entrepreneurship Excellence' and 'Technopreneurship: The Digital Path to Business Resilience', were organised in collaboration the Central Bank of Sri Lanka. The aim of these dialogues is to engage policymakers, ecosystem players, academia, and other key players is to identify vital issues and recommend best practices to the Government of Sri Lanka and other stakeholders, to assist in policy development and initiatives relating to the entrepreneurship environment.

With advocacy to encourage academic institutions to introduce entrepreneurship education into school curricula being a key intervention of SALE, technical assistance is being provided to the Ministry of Education and the National Institute of Education (NIE), for the incorporation of digital training tools into entrepreneurship curricula being prepared by NIE under the ongoing education reforms.

Through strategic interventions such as these, ILO's SALE program, funded by the US Department of State is endeavouring to create a shift in the entrepreneurial ecosystem, and enhance capacity among the youth to enable them to launch and grow their own business ventures.

"OPA President's Dinner", an elite black-tie event, was hosted at Galadari Hotel, Colombo recently to commemorate the closure of Dulitha Perera's term as the 41st President of the Organisation of Professional Associations of Sri Lanka.

The highlight of the gala dinner was the presence of President Ranil Wickremesinghe with whom all who were present had an opportunity to have a dialogue.

During his presidency, Dulitha was instrumental in providing leadership to many of its programs. His reign as OPA's President coinciding the period of 'Aragalaya' where socio-economic unrest dominant across the

Dulitha winds up OPA's 41st presidency with elite black-tie dinner



country was undoubtedly a challenging period which, but of course, paved way to

revive OPA's stance as 'Voice of Professionals' where many dialogues were initiated, and proposals were submitted to help address some of the critical national issues.

Reaffirming his appreciation to the past presidents, OPA's office bearers, Members of



the Executive Council, Members of the Forum, Presidents of Member Associations, the staff of OPA, and others who have supported and serviced OPA in numerous other forms, Dulitha did not forget remembering the continued love and

support of his loving wife, son, daughter, mother, and his extended family at KPMG.

The event was well-attended by a representative cross section of the OPA membership, Presidents of Member Associations, and personal invitees

of the outgoing President.

The Organisation of Professional Association (OPA) of Sri Lanka is the apex body of 52 constituent professional associations representing 32 professions in Sri Lanka.



The Republic of Korea (ROK): The Optimum Host for the World Expo 2030

KOICA seeks support for Busan's bid to host World Expo 2030



KOICA Inauguration Ceremony on Education Project in Kilinochchi



World EXPO 2030 Busan, Korea's Ambassador Lee Jung-jae



KOICA (Korea International Cooperation Agency) has contributed to the advancement of international cooperation through various cooperative projects to promote friendly and cooperative relationships and mutual exchanges between Republic of Korea and developing countries and achieve poverty reduction, improvement of the quality of life, sustainable development, and humanitarianism of developing countries since 1991.

Despite the persisting COVID-19 pandemic, KOICA was able to mature and grow thanks to its partners at home and abroad and staff members who steadfastly cooperated with us in their respective positions. We responded to the unfolding of constant crisis through integrated solutions, the implementation of inclusive and sustainable development cooperation projects, and efforts to overcome the pandemic.

First, KOICA continued to carry out its ABC Program (Agenda for Building Resilience against COVID-19 through Development Cooperation), launched in 2020 to strengthen COVID-19 response capacities in developing countries. Throughout 2021, the program supported 100 million 7,100 dollars in projects for 65.24 million people in 68 countries.

Second, KOICA established an organization-wide Digital Transformation Strategy (2021-2025) in response to the acceleration in digital transformation prompted by COVID-19, and actively pursued the digitalization of its projects and management through the establishment of the Digital Innovation Center.

Thirdly, in the area of environment and climate change response, KOICA became the first ODA organization in Korea to be accredited by the Green Climate Fund (GCF). This accreditation has allowed us to establish a basis for linkage with climate financing and recognized the agency's leadership in contributing to global carbon neutrality.

Lastly, with the aim of transparent management based on integrity, KOICA became the first ODA organization in Korea to acquire integrated accreditation from the International Organization for Standardization (ISO) for its compliance management and anti-corruption system. Going forward, KOICA hopes to ensure that transparent management and integrity take firm root within the organizational culture of the agency.

KOICA Sri Lank Office has conducted numerous programs with pivotal strategic goals such as education, transportation, governance and rural development, thus successfully augmenting the development of Sri Lanka since 1995. KOICA has various modalities for the Sri Lanka's development like Projects, Public-Private Partnerships, Fellowship and Volunteer Programs which are implemented island-wide at present.

Even under the challenging circumstances due to the Covid-19 pandemic, KOICA made a breakthrough by transforming the physical volunteer program into e-volunteering in order to support Korean language education. KOICA is now pursuing to resume dispatching Korean volunteers to Sri Lanka just as before the Covid-19 pandemic. KOICA is a trustworthy partner of Sri Lanka to meet the current needs of national development. With these as momentum, the bilateral ties are expected to widen and deepen further in the coming years.



KOICA Students PR on Education Project in Kilinochchi



KOICA Inauguration Ceremony on Education Project in Kilinochchi



KOICA WFK YAMU-YAMU Improvement of village environment



KOICA- AKOFE Donations of Hospital Equipment 2022



KOICA-AKOFE Donation in Hambantota



KOICA WFK Colombo Public Library Korean Language Activity

Association of KOICA Fellows(AKOFE) / Link : <https://akofe.lk/akofe/>

Association of KOICA Fellows in Sri Lanka (AKOFE) was formed in 1999, by senior public and corporate sector officials who had undergone training in their respective fields in South Korea through scholarships granted by the Korean Government through KOICA (Korea International Corporation Agency). They were highly impressed with the "Korean Development Model" and "Human Resources Capacity Development Activity Plans" of Korea and establishing an Association to continue effective working relationships with Korea.

AKOFE was formed as the second such club formed very earlier among the recipient countries, with the blessings and guidance of the H.E. the Ambassador of the Republic of Korea in Sri Lanka, Resident Representative of KOICA in Sri Lanka and KOICA Head Quarters in Seoul. AKOFE implements various community development projects throughout the island in association with KOICA with the view to enhance living standards of people.

This organization which was formed 21 years ago with the main objectives of effectively utilizing the knowledge and skills gained in Korea for nation building efforts of Sri Lanka, promoting friendly relations between the two countries while serving the less privileged community by dispersing the KOICA annual physical aids effectively and knowledge dissemination programs to high schools, universities etc. The physical donations include items for drinking water improvements, school capital requirements, children personnel requirements, health sector equipment and rural community group village requirements.

The AKOFE membership now stands over 1000 including junior and senior officials from most of the organizations in the island. The AKOFE Executive Committee (appointed annually through an Annual General Meeting), together with KOICA organizes above mentioned charity projects, throughout the country. During the current year 2022, AKOFE Executive committee had completed health sector equipment, school equipment, student personnel requirement donations to seven schools and knowledge dissemination programs.

WORLD EXPO 2030 BUSAN, KOREA

The Republic of Korea: A Symbol of Hope and Powerhouse of Culture and Technology From Aid Recipient to Global Contributor... A Symbol of Hope

World Expos have always presented a new vision for the potential of mankind. World Expo 2030 will serve as a forum for cooperation to tackle global challenges. World Expo 2030 will be a fitting venue to build consensus between advanced and emerging economies. Having made the successful journey from a developing country to a developed one, the Republic of Korea is best positioned to bridge the two. History shows that Korea has created opportunities out of challenges and emerged from crises stronger than ever before. From a war-torn aid recipient to a donor to a top-ten economic powerhouse, Korea is a symbol of hope that strives for world peace, harmony and inclusion.

A Front Runner in the 4th Industrial Revolution and Soft Power

As a world-leading global IT hub, Korea is at the forefront of the fourth industrial revolution with competitive technologies- AI, IoT, Big Data and Smart Mobility. Meanwhile K-culture, K-pop and

World EXPO 2030 BUSAN, KOREA

Please cheer for hosting together!

The Host City Announcement in Dec. 2023



KOICA-AKOFE Exco members

K-Food have permeated the daily lives of people around the world, setting a new global standard for soft power in terms of culture, knowledge and thought.

Busan: Designing- the Future of Humanity

Busan's diverse and dynamic culture which originates from a mixture of different people and cultures continues to evolve, making Busan the best city for designing the future of mankind, a future of mutual respect and of harmony that communicates with the world. In 2030, Busan will pave the way for harmony and the common prosperity of humanity. Moreover, Busan has a special place on the history of Korea as it was the main point of interaction with the outside world dating back to ancient Gaya and Shilla periods

1,500-2,000 years ago via the trade and cultural exchange. It is a city that laid the foundation for Korea's economic development and the growth of global Korean companies following the Korean War. It has the optimal geographic location at the intersection of Eurasia and the Pacific Ocean and is highly accessible from anywhere. As a cultural hub that leads K-content especially the world renowned Busan International Film Festival and G-STAR, it is a must-visit place for foodies and tourists. Under the theme of Transforming Our World, Navigating toward a Better Future, Korea's bid to host the 2030 World Expo will be platform to change the way of thinking and value. Busan, the center of Korean transformation, will set a new course toward a better tomorrow for humanity and the Earth.



Deutsche Bank

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FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

INCOME STATEMENT

In Rupees Thousands	Deutsche Bank Colombo Branch		
	Current Period From 01/01/22 to 30/09/22	Previous Period From 01/01/21 to 30/09/21	Change %
Interest income	4,058,566	1,980,572	105
Interest expenses	(373,723)	(279,869)	(34)
Net interest income	3,684,843	1,700,701	117
Fee and commission income	427,971	422,506	1
Fee and commission expenses	(23,999)	(33,881)	29
Net fee and commission income	403,972	388,625	4
Net gains / (losses) from trading	1,077,351	579,644	86
Net fair value gains / (losses) on:			
Net gains / (losses) from financial instruments at fair value through profit & loss	-	(65,000)	100
Financial liabilities at fair value through profit or loss	-	-	-
Net gains from derecognition of financial assets:			
At fair value through profit or loss	-	-	-
At amortised cost	-	-	-
At fair value through other comprehensive income	-	-	-
Net other operating income	241,878	104,680	131
Total operating income	5,408,044	2,708,650	100
Impairment reversal / (charges)	(1,409,338)	103,393	
Net operating income	3,998,706	2,812,043	42
Personnel expenses	(420,988)	(297,251)	(42)
Depreciation and amortization	(68,140)	(47,897)	(42)
Other operating expenses	(1,203,517)	(1,198,576)	(0)
Operating profit / (loss) before VAT on financial services	2,306,061	1,268,318	82
Value Added Tax (VAT) on financial services	(394,065)	(192,482)	(105)
Profit / (Loss) before Income Tax	1,911,996	1,075,836	78
Income tax expenses	(526,892)	(250,090)	(111)
Profit / (Loss) for the period	1,385,104	825,746	68

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

In Rupees Thousands	Deutsche Bank Colombo Branch		
	Current Period From 01/01/22 to 30/09/22	Previous Period From 01/01/21 to 30/09/21	Change %
Profit / (Loss) for the period	1,385,104	825,746	68
Items that will be reclassified to income statement			
Exchange differences on translation of foreign operations	-	-	-
Net gains / (losses) on cash flow hedges	-	-	-
Net gains / (losses) on investments in debt instruments measured at fair value through other comprehensive income	4,284	(16,799)	100
Share of profits of associates and joint ventures	-	-	-
Debt instruments at fair value through other comprehensive income	-	-	-
Others (specify)	-	-	-
Less: Tax expense relating to items that will be reclassified to income statement	-	-	-
	4,284	-	-
Items that will not be reclassified to income statement			
Change in fair value on investments in equity instruments designated at fair value through other comprehensive income	-	-	-
Change in fair value attributable to change in the Bank's own credit risk on financial liabilities designated at fair value through profit or loss	-	-	-
Re-measurement of post-employment benefit obligations	-	-	-
Changes in revaluation surplus	-	-	-
Share of profits of associates and joint ventures Others (specify)	-	-	-
Others:			
Gain / (loss) on translating the Financial Statements of FCBU	3,028,277	234,881	1,189
Less: Tax expense relating to items that will not be reclassified to income statement	-	-	-
	3,028,277	218,082	1,289
Other Comprehensive Income (OCI) for the period, net of taxes	3,032,561	1,043,828	190
Total comprehensive income / (expense) for the period	4,417,665	1,043,828	323

STATEMENT OF CASH FLOWS

In Rupees Thousands	Deutsche Bank Colombo Branch	
	Current Period As at 30-09-2022	Previous Period As at 30-09-2021
Cash flows from operating activities		
Profit / (Loss) before tax	1,911,996	1,075,836
Adjustment for		
Non cash items included in profit before tax	2,353,215	929,561
Change in operating assets	(6,498,121)	5,681,969
Change in operating liabilities	11,974,834	(8,054,343)
Tax paid	(215,167)	(203,525)
Others	-	(956)
Net cash generated from operating activities	9,526,757	(571,457)
Cash flows from investing activities		
Purchase of property, plant and equipment	(59,211)	(2,132)
Dividend received from investments	-	956
Net cash (used in) from investing activities	(59,211)	(1,176)
Cash flows from financing activities		
Interest paid on subordinated debt	-	-
Profit transfer to head office	-	-
Net cash from financing activities	-	-
Net increase / (decrease) in cash & cash equivalents	9,467,546	(572,633)
Cash and cash equivalents at the beginning of the period	156,558	663,786
Cash and cash equivalents at the end of the period	9,624,104	91,153

STATEMENT OF CHANGES IN EQUITY

In Rupees Thousands	Stated capital/Assigned capital			Reserves							Total Equity
	Ordinary voting shares	Ordinary non-voting shares	Assigned capital	Statutory Reserve Fund	FVOCI Reserve	ECL reserve	Retained earnings	Exchange equalization of Capital	Exchange equalization of Reserves	Reserve through contributed assets	
Balance as at 01/01/2022-Audited	-	-	4,410,461	793,635	(25,701)	-	4,026,214	665,365	453,622	5,618,554	15,942,150
Total comprehensive income for the period	-	-	-	-	-	-	1,385,104	-	-	-	1,385,104
Profit / (loss) for the year (net of tax)	-	-	-	-	-	-	310,541	-	-	-	310,541
ECL Reserve	-	-	-	-	-	-	(310,541)	-	-	-	(310,541)
Related taxes	-	-	-	-	-	-	-	-	-	-	-
Actuarial gain in defined benefits plans	-	-	-	-	-	-	-	-	-	-	-
Gain on translating the Financials statement FCBU	-	-	-	-	-	-	-	1,181,696	1,846,582	-	3,028,278
Other comprehensive income	-	-	-	-	-	-	4,284	-	-	-	4,284
Total comprehensive income for the period	-	-	-	-	-	-	4,284	310,541	1,074,563	1,181,696	4,417,666
Transactions recognised directly in equity											
Share issue / increase of assigned capital	-	-	-	-	-	-	-	-	-	-	-
Share options exercised	-	-	-	-	-	-	-	-	-	-	-
Bonus issue	-	-	-	-	-	-	-	-	-	-	-
Rights issue	-	-	-	-	-	-	-	-	-	-	-
Transfers to reserves during the period	-	-	-	-	-	-	112,406	(112,406)	-	1,161,446	1,161,446
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-	-
Profit transferred to head office	-	-	-	-	-	-	-	-	-	-	-
Gain / (loss) on revaluation of Property, Plant and Equipment	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30/09/2022	-	-	4,410,461	793,635	(21,417)	422,947	4,988,371	1,847,061	2,300,204	6,780,000	21,521,262

SELECTED PERFORMANCE INDICATORS

Item	Deutsche Bank Colombo Branch	
	Current Period As at 30-09-2022	Previous Period As at 31-12-2021
Regulatory Capital (LKR in Millions)		
Common Equity Tier I	15,561	14,751
Tier I Capital	15,561	14,751
Total Capital	15,579	14,761
Regulatory Capital Ratios		
Common Equity Tier I Capital Ratio (Minimum requirement - 6.50%)	29.13%	34.20%
Tier I Capital Ratio (Minimum requirement - 8.50 %)	29.13%	34.20%
Total Capital Ratio (Minimum requirement - 12.50 %)	29.16%	34.22%
Leverage Ratio (Minimum Requirement - 3%)	16.58%	20.74%
Regulatory Liquidity		
Statutory Liquid Assets (LKR in Millions)		
Domestic Banking unit	28,793	19,996
Off-Shore Banking unit	15,001	10,847
Statutory Liquid Assets Ratio, % (Minimum requirement 20 %)		
Domestic Banking unit	78.16%	73.89%
Off-Shore Banking unit	74.47%	72.86%
Total Stock of High-Quality Liquid Assets (LKR in Millions)	21,807	4,419
Liquidity Coverage Ratio (%) - (Minimum requirement - 100%)		
Rupee (%)	815.00%	246.00%
All Currency (%)	591.13%	137.66%
Net Stable Funding Ratio (%) - (Minimum Requirement - 100%)	138.00%	133.25%
Assets Quality (Quality of Loan Portfolio)		
Gross Non - Performing Advances Ratio, % (net Interest in Suspense)	0.00%	0.00%
Net Non - Performing Advances Ratio, % (net of Interest in Suspense and Provision)	0.00%	0.00%
Profitability		
Interest Margin, (%)	6.94%	3.93%
Return on Assets (before Tax), (%)	3.60%	1.92%
Return on Equity, (%)	9.91%	5.69%

ADDITIONAL DISCLOSURES

In Rupees Thousands	Deutsche Bank Colombo Branch	
	Current Period As at 30-09-2022	Previous Period As at 31-12-2021
By product - Domestic currency		
Demand deposits (current accounts)	15,387,569	11,803,951
Savings deposits	7,568,373	5,015,591
Margin deposits	19,848	33,325
Fixed deposits	2,065,611	1,778,750
Sub total	25,041,401	18,631,617
By product - Foreign currency		
Demand deposits (current accounts)	12,719,752	4,400,779
Savings deposits	1,070,232	1,252,943
Margin deposits	2,003,347	6,268,534
Fixed deposits	356,592	6,301,859
Sub total	16,149,923	8,080,609
Total	41,191,324	26,712,226
Product-wise Gross loans & advances		
By product - Domestic currency		
Overdrafts	12,417,079	13,364,046
Term loans	-	-
Lease rental receivables	-	-
Credit Cards	-	-
Pawning	-	-
Trade finance	999,995	3,777,508
Staff loans	102,237	111,472
Supplier Finance	5,533,486	1,187,190
Sub total	19,052,797	18,440,216
By product - Foreign currency		
Overdrafts	5,985,630	4,480,437
Term loans	-	-
Guarantees	-	-
Bonds	-	-
Trade finance	1,730,656	4,331,228
Staff loans	-	-
Supplier Finance	-	4,755
Sub total	7,716,286	8,816,420
Total	26,769,083	27,256,636
Product-wise commitments and contingencies		
By product - Domestic currency		
Guarantees	10,629,545	14,690,362
Letters of credit	756,108	65,165
Bonds	-	-
Forward exchange contracts	-	-
Usance Import Bills	-	-
Core acceptance	-	-
Other commitments	-	-
Undrawn loan commitments	11,770,816	10,896,598
Sub total	23,156,469	25,652,125
By product - Foreign currency		
Guarantees	23,523,118	12,089,872
Letters of credit	7,168,258	3,190,061
Forward exchange contracts	25,771	14,976
Usance Import Bills	4,262,030	2,154,371
Core acceptance	-	77,770
Other commitments	-	-
Undrawn loan commitments	9,821,798	2,471,918
Sub total	44,800,975	19,998,968
Total	67,957,444	45,651,093
Stage-wise impairment on loans & advances, commitments and contingencies		
Gross loans and advances, commitments and contingencies		
Less: Accumulated impairment under stage 1	40,858	21,607
Accumulated impairment under stage 2	40,367	-
Accumulated impairment under stage 3	-	-
Net value of loans and advances, commitments and contingencies	94,645,302	72,886,122
Movement of impairment during the period		
Under Stage 1		
Opening balance at 01/01/2022	21,607	5,743
Write-off during the year	-	-
Other movements	19,251	15,864
Closing balance at 30/09/2022	40,858	21,607
Under Stage 2		
Opening balance at 01/01/2022	-	149
Write-off during the year	-	-
Other movements	40,367	(149)
Closing balance at 30/09/2022	40,367	-
Under Stage 3		
Opening balance at 01/01/2022	-	-
Write-off during the year	-	-
Other movements	-	-
Closing balance at 30/09/2022	-	-
Total impairment	81,225	21,607

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

In Rupees Thousand	a. Bank - Current period 30/09/2022			
	AC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	9,624,104	-	-	9,624,104
Balances with central banks	22,729,754	-	-	22,729,754
Placements with banks	-	-	-	-
Placements with Branches	6,567,743	-	-	6,567,743
Derivative financial instruments	-	92,634	-	92,634
Financial assets recognized through profit or loss	1,489,504	-	-	1,489,504
Loans and advances	-	-	-	-
Financial assets measured at fair value through other comprehensive income	26,745,827	-	-	26,745,827
Group Balances receivables	-	-	42,339	42,339
Other assets	927,973	-	-	927,973
Total financial assets	68,084,905	92,634	42,339	68,219,878
LIABILITIES				
Due to banks	2,201	-	-	2,201
Due to Branches	7,978,165	-	-	7,978,165
Derivative financial instruments	-	179,588	-	179,588
Financial liabilities	-	-	-	-
- due to depositors	41,191,324	-		

Financial Services



Deutsche Bank

GROUP
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FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

SUMMARISED INCOME STATEMENT

Item	Deutsche Bank Group	
	Current Period From 01/01/22 to 30/09/22 (EUR m)	Previous Period From 01/01/21 to 30/09/21 (EUR m)
Interest Income	16,081	12,331
Interest Expenses	6,168	4,099
Net Interest Income	9,913	8,232
Fee and commission income	-	-
Fee and commission Expense	-	-
Net fee and commission income	7,657	7,946
Net gain / (loss) from trading	-	-
Net fair value gains / (losses) on:		
Financial assets at fair value through profit or loss	2,741	2,990
Financial liabilities at fair value through profit or loss	-	-
Net gains/(losses) on derecognition of financial assets:		
At fair value through profit or loss	-	-
At amortised cost	-	5
At fair value through other comprehensive income	(56)	188
Net income/(loss) from equity method investments	189	56
Net other operating income	451	93
Total operating income	20,895	19,510
Impairment reversal / (charges)	(875)	(261)
Net operating income	20,020	19,249
Personnel expenses	8,053	7,703
Depreciation and amortisation expenses	-	-
Other expenses	7,148	8,238
Operating profit / (loss) before VAT on financial services	4,819	3,308
Value added tax (VAT) on financial services	-	-
Operating profit/(loss) after VAT on financial services	4,819	3,308
Share of profits of associates and joint ventures	-	-
Profit / (loss) before tax	4,819	3,308
Income tax expenses	1,139	1,114
Profit / (loss) for the period	3,680	2,194
Profit Attributable to:		
Equity holders of the parent	3,574	2,102
Non-controlling interests	106	92
Earnings per share on profit		
Basic earnings per ordinary share	1.48	0.83
Diluted earnings per ordinary share	1.46	0.81

Item	Deutsche Bank Group	
	Reporting Period 30th September 2022	Reporting Period 31st December 2021
Post-tax return on average shareholders' equity	7.20%	3.40%
Post-tax return on average tangible shareholders' equity	8.10%	3.80%
CRR/CRD 4 Leverage Ratio (fully loaded)	4.30%	4.90%
CRR/CRD 4 Leverage Ratio (phase in)	4.30%	4.90%
Fully loaded CRR/CRD 4 leverage exposure in € bn	1,310	1,125
Common Equity Tier 1 capital ratio	13.30%	13.20%
Risk-weighted assets, in € bn.	369	352

STATEMENT OF COMPREHENSIVE INCOME

Item	Deutsche Bank Group	
	Current Period From 01/01/22 to 30/09/22 (EUR m)	Previous Period From 01/01/21 to 30/09/21 (EUR m)
Profit/(loss) for the period	3,680	2,194
Items that will be reclassified to income statement		
Exchange differences on translation of foreign operations	2,132	770
Net gains / (losses) on cash flow hedges	-	-
Net gains / (losses) on investments in debt instruments measured at fair value through other comprehensive income	(1,053)	(515)
Share of profits of associates and joint ventures Debt instruments at fair value through other comprehensive income	-	-
Derivatives hedging variability of cash flows	-	-
unrealised net gains (losses) arising during the period, before tax	(622)	23
Realised net (gains) losses arising during the period (reclassified to the profit or loss) before tax	11	(38)
Equity Method investments	28	(5)
Net gains (losses) arising during the period	-	-
Others (specify)	-	-
Less: Tax expense relating to items that will be reclassified to income statement	(21)	101
Items that will not be reclassified to income statement		
Gain/(loss) on translating the Financial Statements of FCBU	-	-
Change in fair value on investments in equity instruments designated at fair value through other comprehensive income	-	-
Related Tax	-	-
Change in fair value attributable to change in the Bank's own credit risk on financial liabilities designated at fair value through profit or loss	-	-
Re-measurement of post-employment benefit obligations	1,054	565
Related Tax	160	(19)
Share of profits of associates and joint ventures Others (specify)	-	-
Less: Tax expense relating to items that will not be reclassified to income statement	-	-
Other Comprehensive Income (OCI) for the period, net of taxes	1,689	882
Total comprehensive income for the period	5,369	3,076
Attributable to:		
Equity holders of the parent	5,124	2,937
Non-controlling interests	245	139

DB Group Current Ratings	Moody's Investors Service	Standard & Poor's	Fitch Ratings
Preferred	A2	A-	A-
Long Term	Non-preferred	Baa2	BBB-
		BBB-	BBB+

STATEMENT OF FINANCIAL POSITION

Item	Deutsche Bank Group	
	Current Period As at 30/09/2022 (EUR m)	Previous Period As at 31/12/2021 (EUR m)
Assets		
Cash and cash equivalents	182,050	192,021
Balances with Central Banks	10,345	8,368
Placement with Banks	9,992	7,342
Placement with branches	-	-
Securities borrowed	-	63
Derivative financial instruments	-	-
Group balances receivable	-	-
Financial assets recognized through profit or loss	587,300	491,233
- measured at fair value	-	-
- designated at fair value	-	-
Financial assets at amortised cost	497,937	471,319
- loans and advances	-	-
- debt and other instruments	-	-
Financial assets measured at fair value through other comprehensive income	35,109	28,979
Securities held to maturity	-	-
Investments in subsidiaries	1,244	1,091
Investments in associates and joint ventures	-	-
Property, plant and equipment	5,955	5,536
Investment properties	-	-
Goodwill and intangible assets	7,399	6,824
Assets for current tax	1,493	1,214
Deferred tax assets	6,239	6,218
Other assets	153,402	103,785
Total Assets	1,498,065	1,323,993
Liabilities		
Due to banks	6,251	4,034
Due to branches	-	-
Central bank funds purchased and securities sold under repurchase agreements	1,715	747
Securities loaned	30	24
Derivative financial instruments	-	-
Financial liabilities recognized through profit or loss	493,793	400,857
- measured at fair value	-	-
- designated at fair value	-	-
Financial liabilities at amortised cost	630,766	603,750
- due to depositors	-	-
- due to debt securities holders	-	-
- due to other borrowers	-	-
Debt securities issued	-	-
Retirement benefit obligations	-	-
Current tax liabilities	551	600
Deferred tax liabilities	696	501
Long term debts	146,044	144,485
Trust preferred shares	503	528
Other provisions	2,546	2,641
Other liabilities	144,255	97,796
Group balances payable	-	-
Total liabilities	1,427,150	1,255,962
Equity		
Stated capital/ Assigned capital	45,857	45,871
Statutory reserve fund	-	-
OCI Reserve	665	(444)
Retained earnings	15,739	12,607
Common shares in treasury, at cost	(340)	(6)
Other reserves	-	-
Total shareholders equity	61,721	58,027
Additional equity components	7,327	8,305
Non-controlling interest	1,867	1,698
Total equity	70,915	68,029
Total equity and liabilities	1,498,065	1,323,993
Contingent liabilities and commitments	320,089	286,525
Memorandum Information		
Number of Employees	84,556	84,389
Number of Branches	1,572	1,863

BY WEALTH TRUST SECURITIES

THE secondary bond market yields were seen increasing yesterday following the eighth monetary policy announcement, at where policy rates were kept unchanged at 14.50% and 15.50% on the Standing Deposit Facility Rate (SLDR) and Standing Lending Facility Rate (SLFR) respectively.

In morning hours of trading, selling interest on the 01.07.25 and 01.07.32 maturities saw its yields increase to intraday highs of 31.50% and 29.49% respectively against its previous day's closing levels on 30.90/20 and 28.00/50.

Nevertheless, buying interest at these levels saw yields pull back once again as the 01.07.25 dipped to 31.25%. In the secondary bill market, November and December 2022 along with February 2023 maturities traded at levels of 29.26% to 30.00% and 32.80% to 33.15% respectively.

The total secondary market Treasury bond/

Bond yields increase following monetary policy announcement

Given below are the secondary market yields for the most frequently traded maturities, www.wealthtrust.lk

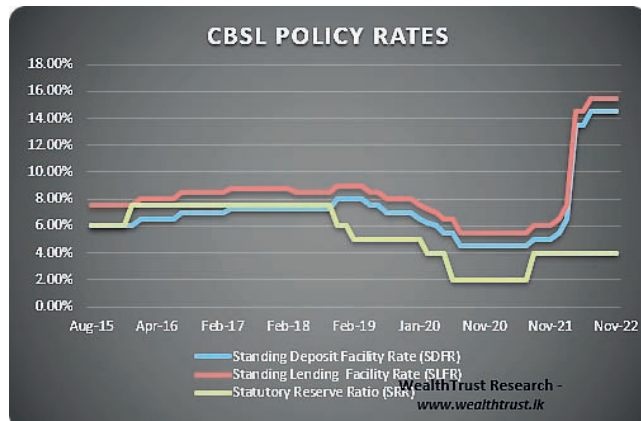
	Treasury Bills		Treasury Bonds	
	Offer	Bid	Offer	Bid
91 Day Bills	32.90	33.10	01.07.25	31.00
182 Day Bills	32.00	32.50	15.01.28	30.50
364 Day Bills	29.00	29.75	15.07.29	29.50
			01.07.32	29.25
				30.00

Source: Bloomberg E-Bond trading platform, WTSL, Money broking companies

bill transacted volume for 23 November 2022 was Rs. 42.07 billion.

In money markets, the net liquidity deficit stood at Rs. 154.34 billion yesterday as an amount of Rs.

328.76 billion was deposited at Central Banks SDFR (Standard Deposit Facility Rate) of 14.50% against an amount of Rs. 483.10 billion withdrawn from Central Banks SLFR (Standard



Lending Facility Rate) of 15.50%. The weighted average rate on overnight repo was registered at 15.50% while no transactions were report on overnight Call money.

Forex Market

In the Forex market, the middle rate for USD/LKR

spot contracts remained steady at Rs. 363.50 yesterday.

The total USD/LKR traded volume for 23 November was \$ 41.45 million.

(References: Central Bank of Sri Lanka, Bloomberg E-Bond trading platform, Money broking companies)



Stock market suffers 2% dip after two-day winning run

THE Colombo stock market yesterday reversed the two-day winning streak with both indices suffering sharp dips amidst moderate activity.

The active S&P SL20 declined by 2% and the benchmark ASPI by 1.8%. Turnover was Rs. 1.45 billion involving 33 million shares.

Asia Securities said following two sessions of gains, the indices reversed course to close in the red. Following market open, the ASPI trended downwards to reach a low of 8,034. The index subsequently experienced some volatility during the session and closed at 8,028.

VONE (-24 points), HAYL (-16 points) and EXPO (-15 points) led the decline in the index.

Turnover remained at moderate levels, with a significant contribution from activity in LIOC (46%). No crossings were recorded during the session. Market breadth was negative with 42 counters up and 133 declining.

Asia also said foreigners recorded a net outflow of Rs. 47.3 million. Net foreign buying topped in SUN at Rs. 10.4 million and selling topped in HNB.N at Rs. 60 million.

First Capital said the ASPI reverted back to the red zone as selling pressure mounted following the CBSL's decision to maintain the policy interest rates at their current level, causing deeper wounds to the investor sentiment. Accordingly, the index witnessed a steep fall since the beginning of the session and con-

tinued to descend further where retail favourites EXPO, LIOC and Diversified Financial sector counters majorly pulled down the index and closed the day at 8,028, losing 146 points.

NDB Securities said high net worth and institutional investor participation remained subdued for the day whilst mixed interest was observed in Lanka IOC, Expolanka Holdings and CIC Holdings nonvoting. Retail interest was noted in Browns Investments, Industrial Asphalts and LOLC Finance.

The Energy sector was the top contributor to the market turnover (due to Lanka IOC) whilst the sector index lost 3.94%. The share price of Lanka IOC decreased by Rs. 8 (4.36%) to close at Rs. 175.50.

The Capital Goods sector was the second highest contributor to the market turnover (due to John Keells Holdings) whilst the sector index decreased by 1.53%. The share price of John Keells Holdings dipped by 50 cents to close at Rs. 139.50.

Expolanka Holdings, CIC Holdings nonvoting and Hatton National Bank were also included amongst the top turnover contributors. The share price of Expolanka Holdings lost Rs. 7.25 (4.91%) to close at Rs. 140.50. The share price of CIC Holdings nonvoting moved down by Rs. 1.10 (2.05%) to close at Rs. 52.50. The share price of Hatton National Bank declined by Rs. 1.40 (1.83%) to close at Rs. 75.

THE country's No. 1 bank, Bank of Ceylon, signed a Memorandum of Understanding (MoU) with MBSL Insurance recently to offer general insurance for the bank's customers.

Under this MoU, 10 Bank of Ceylon branches will be facilitated initially enhancing the convenience of accessing general insurance for customers who visit the respective BOC branch.

The bank's Deputy General Manager Branch Operations and Development Banking Priyal Silva and Assistant General Manager Branch Operations D.R.C.S. Udayakumari signed on behalf of Bank of Ceylon whilst MBSL Insurance Company Ltd. Chairman D.P.K. Gunasekera and

Bank of Ceylon joins MBSL to offer general insurance service for BOC customers



Chief Executive Officer Rukman Weerasinghe signed the MoU on

behalf of MBSL Insurance. Several members of the bank's Corporate and Executive Management were also present for the occasion.

SEYLAN BANK PLC

FINANCIAL STATEMENTS

Nine months ended 30th September, 2022



INCOME STATEMENT

(Amounts in Rupees Thousands)

	Bank			Bank			Group			Group		
	For the Nine months Ended 30th September			For the Quarter Ended 30th September			For the Nine months Ended 30th September			For the Quarter Ended 30th September		
	2022	2021	Growth %	2022	2021	Growth %	2022	2021	Growth %	2022	2021	Growth %
Interest Income	57,255,987	34,469,497	66.11	24,712,864	11,653,273	112.07	57,275,721	34,476,151	66.13	24,723,215	11,656,079	112.11
Less: Interest Expenses	29,296,327	17,401,818	68.35	13,604,325	5,556,310	144.84	29,015,316	17,173,553	68.95	13,520,937	5,480,611	146.70
Net Interest Income	27,959,660	17,067,679	63.82	11,108,539	6,096,963	82.20	28,260,405	17,302,598	63.33	11,202,278	6,175,468	81.40
Fee and Commission Income	4,687,867	3,376,281	38.85	1,806,666	1,124,829	60.62	4,687,775	3,376,016	38.86	1,806,635	1,124,816	60.62
Less: Fee and Commission Expenses	167,979	106,258	58.09	62,694	34,408	82.21	168,713	106,258	58.78	62,694	34,408	82.21
Net Fee and Commission Income	4,519,888	3,270,023	38.22	1,743,972	1,090,421	59.94	4,519,062	3,269,758	38.21	1,743,941	1,090,408	59.93
Net Gains/(Losses) from Trading	(901,482)	(416,524)	(116.43)	(803,233)	35,154	(2,384.90)	(905,768)	(414,977)	(118.27)	(805,720)	35,153	(2,392.04)
Net Gains from Derecognition of Financial Assets	33,770	528,905	(93.62)	31,383	84,908	(63.04)	33,770	528,905	(93.62)	31,383	84,908	(63.04)
Net Other Operating Income	3,582,234	1,867,115	91.86	1,393,177	333,836	317.32	3,533,416	1,806,592	95.58	1,424,500	353,835	302.59
Total Operating Income	35,194,070	22,317,198	57.70	13,473,838	7,641,282	76.33	35,440,885	22,492,876	57.56	13,596,382	7,739,772	75.67
Less: Impairment Charges	18,836,958	6,298,160	199.09	7,473,224	2,289,583	226.40	18,836,958	6,298,160	199.09	7,473,224	2,289,583	226.40
Net Operating Income	16,357,112	16,019,038	2.11	6,000,614	5,351,699	12.13	16,603,927	16,194,716	2.53	6,123,158	5,450,189	12.35
Less: Operating Expenses	6,249,884	5,720,242	9.26	2,129,556	1,887,298	12.84	6,285,091	5,751,456	9.28	2,141,497	1,897,874	12.84
Personnel Expenses	1,020,464	1,080,393	(5.55)	335,482	353,695	(5.15)	1,057,662	1,116,178	(5.24)	348,932	365,675	(4.58)
Depreciation and Amortization Expenses	3,744,188	3,235,706	15.71	1,298,065	1,045,737	24.13	3,778,288	3,260,723	15.87	1,314,603	1,054,470	24.67
Other Expenses	1,485,232	1,404,145	6.34	496,009	487,866	1.62	1,449,133	1,376,950	5.22	496,009	487,866	1.62
Total Operating Expenses	11,014,536	10,036,341	9.75	3,763,103	3,286,730	14.49	11,121,041	10,128,357	9.80	3,805,032	3,316,019	14.68
Operating Profit before Taxes	5,342,576	5,982,697	(10.70)	2,237,511	2,064,969	8.36	5,482,886	6,066,359	(9.62)	2,318,126	2,132,170	8.72
Less: Value Added Tax on Financial Services	1,765,338	1,525,979	15.69	691,646	521,021	32.75	1,765,338	1,525,979	15.69	691,646	521,021	32.75
Profit before Income Tax	3,577,238	4,456,718	(19.73)	1,545,865	1,543,948	0.12	3,717,548	4,540,380	(18.12)	1,626,480	1,611,149	0.95
Less: Income Tax Expense	1,072,220	1,250,898	(14.28)	544,424	443,385	22.79	1,165,330	1,233,508	(5.53)	569,919	462,025	23.35
Profit for the Period	2,505,018	3,205,820	(21.86)	1,001,441	1,100,563	(9.01)	2,552,218	3,306,872	(22.82)	1,056,561	1,149,124	(8.06)
Profit Attributable to:												
Equity Holders of the Bank	2,505,018	3,205,820	(21.86)	1,001,441	1,100,563	(9.01)	2,495,224	3,240,148	(22.99)	1,040,306	1,134,802	(8.33)
Non-Controlling Interest	-	-	-	-	-	-	56,994	66,724	(14.58)	16,255	14,322	13.50
Profit for the Period	2,505,018	3,205,820	(21.86)	1,001,441	1,100,563	(9.01)	2,552,218	3,306,872	(22.82)	1,056,561	1,149,124	(8.06)
Basic/Diluted Earnings per Ordinary Share (Rs.)	4.34	5.55	(21.86)	1.73	1.90	(9.01)	4.32	5.61	(22.99)	1.80	1.96	(8.33)

STATEMENT OF CASH FLOWS

(Amounts in Rupees Thousands)

	Bank		Group	
	2022	2021	2022	2021
	Cash Flows from Operating Activities	52,654,176	30,452,784	52,673,910
Interest Receipts	(22,827,750)	(16,918,554)	(22,823,002)	(16,916,439)
Interest Payments	4,519,888	3,270,023	4,519,888	3,269,758
Net Commission Receipts	137,334	8,322	133,048	9,869
Trading Income	(5,926,672)	(5,292,541)	(5,955,238)	(5,317,364)
Net on Financial Services Paid	(1,701,379)	(1,692,445)	(1,701,379)	(1,692,445)
Payments to Employees	14,249,757	2,658,378	14,347,004	2,723,054
Receipts from Other Operating Activities	(3,608,397)	(2,328,247)	(3,657,487)	(2,353,264)
Payments on Other Operating Activities	37,498,357	10,157,720	37,535,917	10,162,607
Operating Profit before Changes in Operating Assets and Liabilities	6,313,106	(7,797,643)	(6,313,106)	(7,797,643)
(Increase)/Decrease in Operating Assets:				
Balances with Central Bank of Sri Lanka	(21,891,973)	(38,041,645)	(21,891,973)	(38,041,645)
Financial Assets at Amortized Cost - Loans and Advances	(1,115,429)	(461,365)	(999,005)	(520,642)
Other Assets	31,660,465	13,016,291	31,660,465	13,016,291
Financial Liabilities at Amortized Cost - Due to Depositors	18,620,577	10,590,770	18,620,577	10,590,770
Financial Liabilities at Amortized Cost - Due to Debt Securities Holders	1,055	(6,360)	1,055	(6,360)
Financial Liabilities at Amortized Cost - Due to Other Borrowers	(6,714,228)	(1,770,834)	(6,906,488)	(205,640)
Other Liabilities	(11,587,539)	(3,346,387)	(11,587,539)	(3,346,387)
Due to Banks	40,158,179	(15,717,785)	40,099,902	(15,717,369)
Cash (Used in)/Generated from Operating Activities before Income Tax	(2,889,767)	(1,020,249)	(2,889,767)	(1,020,249)
Income Tax Paid	37,268,412	(16,738,034)	37,210,135	(16,737,618)
Net Cash (Used in)/Generated from Operating Activities	(2,889,767)	(1,020,249)	(2,889,767)	(1,020,249)
Cash flows from Investing Activities				
Purchase of Property, Plant and Equipment	(78,347)	(101,172)	(78,347)	(101,172)
Improvements in Investment Properties	1,910	4,838	1,910	4,838
Proceeds from Sale of Property, Plant and Equipment	(8,164,654)	14,129,011	(8,164,654)	14,129,011
Net Proceeds from Sale, Maturity and Purchase of Financial Investments of Government of Sri Lanka	4,884	717,640	4,884	729,717
Reverse Repurchase Agreements maturing after Three Months	(63,015)	(72,259)	(63,015)	(72,259)
Net Purchase of Intangible Assets	-	-	-	-
Net Cash Flow from Acquisition of Investments in Subsidiaries	-	-	-	-
Net Cash Flow from Disposal of Subsidiaries	-	-	-	-
Dividend Received from Investment in Subsidiaries	146,065	125,199	146,065	125,199
Dividend Received from Other Investments	8,357	24,632	8,357	24,632
Net Cash (Used in)/Generated from Investing Activities	(8,144,800)	14,828,237	(8,144,800)	14,828,237
Cash flows from Financing Activities				
Net Proceeds from the Issue of Ordinary Share Capital	-	-	-	-
Net Proceeds from the Issue of Other Equity Instruments	-	-	-	-
Net Proceeds from the Issue of Subordinated Debt	6,000,000	-	6,000,000	-
Repayment of Subordinated Debt	(1,727,720)	-	(1,727,720)	-
Interest Paid on Subordinated Debt	(2,485,316)	(2,157,495)	(2,472,452)	(2,144,630)
Interest Paid on Non-subordinated Debt	-	-	-	-
Dividend Paid to Non-controlling Interest	(391)	(123)	(391)	(123)
Dividend Paid to Shareholders of the Bank	(598,548)	(567,579)	(598,548)	(567,579)
Dividend Paid to Holders of Other Equity Instruments	(3,918,836)	(3,191,450)	(3,918,836)	(3,191,450)
Repayment of Principal Portion of Lease Liabilities	(3,918,836)	(3,191,450)	(3,918,836)	(3,191,450)
Net Cash (Used in)/Generated from Financing Activities	(9,895,259)	1,547,063	(9,895,259)	1,547,063
Net Increase / (Decrease) in Cash and Cash Equivalents	26,038,357	(82,714)	26,047,640	(82,088)
Cash and Cash Equivalents at Beginning of the Year	44,039,917	37,515,866	44,039,917	37,515,866
Cash and Cash Equivalents at End of the Period	70,078,274	37,153,152	70,078,274	37,153,152
Reconciliation of Cash and Cash Equivalents				
Cash and Cash Equivalents	34,714,109	20,846,342	34,714,109	20,846,342
Placements with Banks and Finance Companies	32,172,329	12,370,802	32,172,329	12,370,802
Government of Sri Lanka Treasury Bills/Bonds, Development and Sovereign Bonds maturing within Three Months	3,191,836	1,831,450	3,191,836	1,831,450
Securities Purchased under Resale Agreements maturing within Three Months	-	-	-	-
Total	70,078,274	37,153,152	70,078,274	37,153,152

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Amounts in Rupees Thousands)

	Bank			Bank			Group			Group		
	For the Nine months Ended 30th Sept.			For the Quarter Ended 30th Sept.			For the Nine months Ended 30th Sept.			For the Quarter Ended 30th Sept.		
	2022	2021	Growth %	2022	2021	Growth %	2022	2021	Growth %	2022	2021	Growth %
Profit for the Period	2,505,018	3,205,820	(21.86)	1,001,441	1,100,563	(9.01)	2,552,218	3,306,872	(22.82)	1,056,561	1,149,124	(8.06)
Other Comprehensive Income/(Loss), Net of Tax												
Items that are or may be Reclassified to Income Statement in Subsequent Periods												
Net Movement of Cash Flow Hedge Reserve	84,246	26,868	213.56	-	11,786	(100.00)	84,246	26,868	213.56	-	11,786	(100.00)
Net Gains/(Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	(1,723,874)	(2,325,666)	25.88	217,354	(1,216,377)	117.87	(1,732,318)	(2,327,967)	25.59	216,992	(1,217,844)	117.82
Deferred Tax effect relating to items that are or may be Reclassified to Income Statement	401,588	666,815	39.78	(64,306)	291,930	(122.03)	402,433	667,045	(39.67)	(64,270)	292,077	(122.00)
Items that will never be Reclassified to Income Statement in Subsequent Periods												
Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	(867,616)	57,032	(1,621.28)	122,045	435,861	(72.00)	(867,616)	57,032	(1,621.28)	122,045	435,861	(72.00)
Deferred Tax effect relating to items that will never be Reclassified to Income Statement	-	-	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income/(Loss) for the Period, Net of Tax	(2,105,656)	(1,574,951)	(33.70)	275,083	(476,800)	157.70	(2,113,255)	(1,577,022)	(34.00)	274,767	(478,120)	157.47
Total Comprehensive Income for the Period Attributable to:	399,362	1,630,869	(75.51)	1,276,524	623,763	104.65	438,963	1,729,850	(74.62)	1,331,328	671,004	98.41
Equity Holders of the Bank	399,362	1,630,869	(75.51)	1,276,524	623,763	104.65	384,210	1,663,737	(76.91)	1,315,169	657,072	100.16
Non-Controlling Interest	-	-	-	-	-	-	54,753	66,113	(17.18)	16,159	13,932	15.38
Total Comprehensive Income for the Period	399,362											

SEYLAN BANK PLC

FINANCIAL STATEMENTS

Nine months ended 30th September, 2022



SEGMENT REPORTING - GROUP

(Amounts in Rupees Thousands)

	BANKING		TREASURY		PROPERTY/INVESTMENTS		UNALLOCATED/ELIMINATIONS		TOTAL	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021	30.09.2022	30.09.2021	30.09.2022	30.09.2021	30.09.2022	30.09.2021
Interest Income	46,258,763	27,659,663	11,245,724	7,230,891	37,730	21,648	(266,496)	(436,051)	57,275,721	34,476,151
Interest Expense	25,112,676	16,322,154	4,009,288	972,566	384	14	(107,032)	(121,181)	29,015,316	17,173,553
Net Interest Income	21,146,087	11,337,509	7,236,436	6,258,325	37,346	21,634	(159,464)	(314,870)	28,260,405	17,302,598
Fee and Commission Income	4,662,303	3,352,077	5,542	3,686	-	-	19,930	20,253	4,687,775	3,376,016
Fee and Commission Expense	145,736	86,474	22,243	19,784	734	-	-	-	168,713	106,258
Net Fee and Commission Income	4,516,567	3,265,603	(16,701)	(16,098)	(734)	-	19,930	20,253	4,519,062	3,269,758
Net Gains/(Losses) from Trading	-	-	(901,482)	(416,524)	(4,286)	1,547	-	-	(905,768)	(414,977)
Net Gains from Derecognition of Financial Assets	-	-	33,770	528,905	-	-	-	-	33,770	528,905
Net Other Operating Income	182,086	133,457	3,248,632	1,928,470	306,540	263,715	(203,842)	(519,050)	3,533,416	1,806,592
Inter Segment Revenue	(52,789)	(55,678)	-	-	-	-	52,789	55,678	-	-
Total Operating Income	25,791,951	14,680,891	9,600,655	8,283,078	338,866	286,896	(290,587)	(757,989)	35,440,885	22,492,876
Depreciation and Amortisation Expenses	610,545	670,268	10,433	4,292	886	822	435,798	440,796	1,057,662	1,116,178
Impairment Charge for the Period	13,797,010	6,417,829	5,039,948	(119,669)	-	-	-	-	18,836,958	6,298,160
Operating Expenses & VAT on Financial Services	7,911,287	7,527,984	2,049,106	1,315,466	69,870	57,144	1,798,454	1,637,564	11,828,717	10,538,158
Reportable Segment Profit Before Income Tax	3,473,109	64,810	2,501,168	7,082,989	268,110	228,930	(2,524,839)	(2,836,349)	3,717,548	4,540,380
Income Tax Expense	-	-	-	-	-	-	-	-	1,165,330	1,233,508
Profit For The Period	3,473,109	64,810	2,501,168	7,082,989	268,110	228,930	(2,524,839)	(2,836,349)	2,552,218	3,306,872
Profit Attributable To:										
Equity Holders of The Bank	-	-	-	-	-	-	-	-	2,495,224	3,240,148
Non-Controlling Interests	-	-	-	-	-	-	-	-	56,994	66,724
Profit For The Period	3,473,109	64,810	2,501,168	7,082,989	268,110	228,930	(2,524,839)	(2,836,349)	2,552,218	3,306,872
Other Comprehensive Income, Net of Income Tax									(2,113,255)	(1,577,022)
Other Information										
Total Assets	451,263,846	422,909,829	177,627,332	134,994,736	6,070,605	5,974,238	22,801,813	20,255,812	657,763,596	584,134,615
Total Liabilities & Equity	530,358,906	460,889,897	102,025,173	88,214,933	6,070,605	5,974,238	19,308,912	29,055,547	657,763,596	584,134,615
Cash Flows from Operating Activities	31,714,416	(21,420,398)	7,551,549	6,967,612	223,067	212,518	(2,278,897)	(2,497,350)	37,210,135	(16,737,618)
Cash Flows from Investing Activities	49,066	(87,667)	(8,159,066)	14,994,580	5,526	36,947	(208,692)	(261,813)	(8,317,166)	14,682,047
Cash Flows from Financing Activities	(599,548)	(567,579)	(2,485,316)	2,114,785	(207,151)	(177,558)	446,686	403,835	(2,845,329)	1,773,483
Capital Expenditure	(101,528)	(92,736)	(7,653)	(2,250)	(28,160)	(33,068)	(32,181)	(78,445)	(169,522)	(206,499)

STATEMENT OF CHANGES IN EQUITY - BANK

(Amounts in Rupees Thousands)

For the Nine Months ended 30th September	Stated Capital		Statutory Reserve Fund *	Retained Earnings	Other Reserves			Total
	Ordinary Shares -Voting	Ordinary Shares -Non-Voting			Revaluation Reserve	FVOCI Reserve **	Other Reserves	
1 Balance as at 01st 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 Period	-	-	-	3,205,820	-	-	-	3,205,820
Profit for the Period	-	-	-	3,205,820	-	-	-	3,205,820
Other Comprehensive Income (Net of Tax)	-	-	-	-	-	-	-	-
- Net Gains/(Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(1,658,851)	-	(1,658,851)
- Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	57,032	-	57,032
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	26,868	26,868
2 Total Comprehensive Income for the Period	-	-	-	3,205,820	-	(1,601,819)	26,868	1,630,869
Transactions with Equity Holders, Recognized Directly in Equity								
Scrip Dividends to Equity Holders	385,076	390,459	-	(775,535)	-	-	-	-
Unclaimed Dividend Absorbed/(Dividend Paid) in respect of Previous Years	-	-	-	9,237	-	-	-	9,237
Transferred from Investment Fund Reserve	-	-	-	434,435	-	-	(434,435)	-
Net Gain on Disposal of Equity Investments measured at Fair Value through Other Comprehensive Income	-	-	-	872,522	-	(872,522)	-	-
3 Total Transactions with Equity Holders	385,076	390,459	-	540,659	-	(872,522)	(434,435)	9,237
Balance as at 30th September 2021 (1 + 2 + 3)	11,521,263	6,802,619	2,103,522	28,429,703	858,312	(189,009)	1,080,671	50,607,081
1 Balance as at 01st 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 01st 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 Period	-	-	-	2,505,018	-	-	-	2,505,018
Profit for the Period	-	-	-	2,505,018	-	-	-	2,505,018
Other Comprehensive Income (net of tax)	-	-	-	-	-	-	-	-
- Net Gains/(Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(1,322,286)	-	(1,322,286)
- Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(867,616)	-	(867,616)
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	84,246	84,246
3 Total Comprehensive Income for the Period	-	-	-	2,505,018	-	(2,189,902)	84,246	399,362
Transactions with Equity Holders, Recognized Directly in Equity								
Scrip Dividends to Equity Holders	792,802	809,769	-	(1,602,571)	-	-	-	-
Transferred from Investment Fund Reserve	-	-	-	359,990	-	-	(359,990)	-
Net Gain 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
Unclaimed Dividend Absorbed/(Dividend Paid) in respect of Previous Years	-	-	-	(459)	-	-	-	(459)
4 Total Transactions with Equity Holders	792,802	809,769	-	(1,233,644)	-	1,553,879	(359,990)	1,562,816
Balance as at 30th September 2022 (2 + 3 + 4)	12,314,065	7,612,388	2,332,549	29,299,656	1,468,822	(881,202)	700,574	52,846,852

* 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).
** FVOCI Reserve - Fair Value through Other Comprehensive Income Reserve.

STATEMENT OF CHANGES IN EQUITY - GROUP

(Amounts in Rupees Thousands)

For the Nine Months ended 30th September	Stated Capital		Statutory Reserve Fund *	Retained Earnings	Other Reserves			Total
	Ordinary Shares -Voting	Ordinary Shares -Non-Voting			Revaluation Reserve	FVOCI Reserve **	Other Reserves	
1 Balance as at 01st 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
Total Comprehensive Income for the Period	-	-	-	3,240,148	-	-	-	3,240,148
Profit for the Period	-	-	-	3,240,148	-	-	-	3,240,148
Other Comprehensive Income (Net of Tax)	-	-	-	-	-	-	-	-
- Net Gains / (Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(1,660,311)	-	(1,660,311)
- Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	57,032	-	57,032
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	26,868	26,868
2 Total Comprehensive Income for the Period	-	-	-	3,240,148	-	(1,603,279)	26,868	1,663,737
Transactions with Equity Holders, Recognized Directly in Equity								
Scrip Dividends to Equity Holders	385,076	390,459	-	(775,535)	-	-	-	(52,362)
Unclaimed Dividend Absorbed/(Dividend Paid) in respect of Previous Years	-	-	-	9,237	-	-	-	9,237
Transferred from Investment Fund Reserve	-	-	-	434,435	-	-	(434,435)	-
Net Gain on Disposal of Equity Investments measured at Fair Value through Other Comprehensive Income	-	-	-	872,522	-	(872,522)	-	-
Other Adjustments	-	-	-	327	-	-	327	137
3 Total Transactions with Equity Holders	385,076	390,459	-	540,986	-	(872,522)	(434,435)	9,564
Balance as at 30th September 2021 (1 + 2 + 3)	11,521,263	6,802,619	2,103,522	29,162,743	1,735,867	(218,774)	1,335,884	52,443,124
1 Balance as at 01st January 2022	11,521,263	6,802,619	2,332,549	29,967,349	2,374,135	(271,212)	1,231,531	53,956,234
Surcharge Tax	-	-	-	(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
Total Comprehensive Income for the Period	-	-	-	2,495,224	-	-	-	2,495,224
Profit for the Period	-	-	-	2,495,224	-	-	-	2,495,224
Other Comprehensive Income (Net of Tax)	-	-	-	-	-	-	-	-
- Net Gains / (Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(1,327,644)	-	(1,327,644)
- Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(867,616)	-	(867,616)
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	84,246	84,246
3 Total Comprehensive Income for the Period	-	-	-	2,495,224	-	(2,195,260)	84,246	384,210
Transactions with Equity Holders, Recognized Directly in Equity								
Scrip Dividends to Equity Holders	792,802	809,769	-	(1,602,571)	-	-	-	(61,089)
Transferred from Investment Fund Reserve	-	-	-	359,990	-	-	(359,990)	-
Net Gain 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
Unclaimed Dividend Absorbed/(Dividend Paid) in respect of Previous Years	-	-	-	(459)	-	-	-	(459)
4 Total Transactions with Equity Holders	792,802	809,769	-	(1,233,644)	-	1,553,879	(359,990)	1,562,816
Balance as at 30th September 2022 (2 + 3 + 4)	12,314,065	7,612,388	2,332,549	30,060,594	2,374,135	(912,593)	955,787	54,736,925

BANK OF CEYLON

STATEMENT OF PROFIT OR LOSS

30 September	BANK						GROUP						Rs. '000
	For the period ended			For the quarter ended			For the period ended			For the quarter ended			
	2022	2021	Change %	2022	2021	Change %	2022	2021	Change %	2022	2021	Change %	
Total income	368,688,298	211,330,077	74.5	136,801,871	74,708,629	83.1	374,537,389	216,298,103	73.2	139,199,394	76,369,603	82.3	
Interest income	323,607,938	189,403,644	70.9	126,090,214	67,496,682	86.8	328,769,391	193,853,597	69.6	128,125,532	68,965,914	85.9	
Interest expenses	(215,692,476)	(107,724,074)	100.2	(98,984,552)	(37,299,609)	165.4	(218,325,865)	(109,499,020)	99.4	(100,333,240)	(37,838,848)	165.2	
Net interest income	107,915,462	81,679,570	32.1	27,105,662	30,197,073	(10.2)	110,443,526	84,354,577	30.9	27,792,292	31,067,066	(10.5)	
Fee and commission income	16,261,195	11,474,873	41.7	5,575,362	4,052,249	37.6	16,535,520	11,674,800	41.6	5,127,295	4,122,781	38.3	
Fee and commission expenses	(4,490,747)	(2,256,734)	99.0	(1,650,538)	(859,327)	92.1	(4,500,353)	(2,319,568)	94.0	(1,643,431)	(902,664)	82.1	
Net fee and commission income	11,770,448	9,218,139	27.7	3,924,824	3,192,922	22.9	12,035,167	9,355,232	28.6	4,057,864	2,220,117	26.0	
Net gains / (losses) from trading	16,480,339	4,398,013	274.7	2,199,252	1,903,679	15.5	16,523,614	4,436,458	272.5	2,229,837	1,936,593	15.1	
Net fair value gains / (losses) from financial instruments at fair value through profit or loss	(48,648)	619,083	(107.9)	2,390,650	688,429	247.3	(127,734)	626,033	(120.4)	2,489,580	724,809	243.5	
Net gains / (losses) on derecognition of financial assets	544,470	218,538	149.1	317,396	(40,779)	(878.3)	545,872	218,742	149.6	318,798	(61,989)	(614.3)	
Other operating income	11,843,004	5,215,926	127.1	228,967	608,369	(62.4)	12,290,726	5,488,473	123.9	334,352	741,555	(54.9)	
Total operating income	28,819,165	10,451,560	175.7	5,136,265	3,159,698	62.6	29,232,478	10,769,706	171.4	5,372,567	3,340,968	60.8	
Impairment (charge) / reversal	148,505,075	101,349,269	46.5	36,166,781	36,549,693	(1.0)	151,711,171	104,479,515	45.2	37,222,723	37,628,151	(1.1)	
Loans and advances	(65,339,368)	(28,346,957)	130.5	(15,811,357)	(15,364,092)	2.9	(65,429,498)	(28,655,128)	128.3	(15,576,121)	(15,513,599)	0.4	
Other financial assets	(14,683,405)	(1,670,498)	779.0	(1,190,628)	(441,130)	(62.9)	(14,965,447)	(1,655,552)	804.0	(2,127,775)	(1,174,651)	(81.5)	
Net operating income	68,482,302	71,331,814	(4.0)	19,914,294	19,994,973	(0.4)	71,316,226	74,168,835	(3.8)	21,428,827	20,939,901	2.3	
Operating expenses	(21,236,406)	(17,219,111)	23.3	(7,630,320)	(5,871,955)	29.9	(22,950,978)	(18,649,307)	23.1	(8,219,566)	(6,426,348)	27.9	
Personnel expenses	(2,881,061)	(3,065,777)	(6.0)	(954,501)	(1,025,748)	(6.9)	(2,977,331)	(3,139,133)	(5.2)	(1,005,325)	(987,565)	1.8	
Depreciation and amortisation	(9,214,008)	(8,400,278)	9.7	(3,220,160)	(2,955,725)	8.9	(10,356,025)	(9,073,971)	14.1	(3,513,188)	(3,133,526)	12.1	
Other expenses	(33,331,475)	(28,685,166)	16.2	(11,804,981)	(9,853,428)	19.8	(36,284,334)	(30,862,411)	17.6	(12,738,079)	(10,547,439)	20.8	
Operating profit before taxes on financial services	35,150,827	42,646,648	(17.6)	8,109,313	10,141,545	(20.0)	43,301,892	43,306,424	(0.1)	12,738,079	10,392,642	(16.4)	
Value Added Tax (VAT) on financial services	(7,671,435)	(7,081,516)	8.3	(2,480,104)	(1,712,185)	44.9	(7,759,443)	(7,244,916)	7.1	(2,510,123)	(1,764,322)	42.3	
Operating profit after taxes on financial services	27,479,392	35,565,132	(22.7)	5,629,209	8,429,360	(33.2)	27,272,449	36,061,508	(24.4)	6,180,625	8,628,140	(28.4)	
Share of profits / (losses) of Associate companies, net of tax	-	-	-	-	-	-	91,607	101,352	(9.6)	6,180,625	8,628,140	(28.4)	
Profit before income tax	27,479,392	35,565,132	(22.7)	5,629,209	8,429,360	(33.2)	27,364,056	36,162,860	(24.3)	6,201,949	8,662,437	(28.4)	
Income tax expense	(8,491,447)	(7,999,789)	6.1	(2,555,783)	(2,934,261)	(12.9)	(8,651,392)	(8,102,812)	6.8	(2,625,112)	(2,968,017)	(11.6)	
Profit for the period	18,987,945	27,565,343	(31.1)	3,073,426	5,495,099	(44.1)	18,712,664	28,060,048	(33.3)	3,576,837	5,694,420	(37.2)	
Profit attributable to:													
Equity holder of the Bank	18,987,945	27,565,343	(31.1)	3,073,426	5,495,099	(44.1)	18,831,148	27,987,995	(32.7)	3,570,961	5,685,314	(37.2)	
Non-controlling interest	-	-	-	-	-	-	(118,484)	72,053	(264.4)	5,876	9,106	(35.5)	
Profit for the period	18,987,945	27,565,343	(31.1)	3,073,426	5,495,099	(44.1)	18,712,664	28,060,048	(33.3)	3,576,837	5,694,420	(37.2)	
Earnings per share:													
Basic earnings per share (Rs.)	759.52	1,102.61	(31.1)	122.94	219.80	(44.1)	753.25	1,119.52	(32.7)	142.84	227.41	(37.2)	
Diluted earnings per share (Rs.)	759.52	1,102.61	(31.1)	122.94	219.80	(44.1)	753.25	1,119.52	(32.7)	142.84	227.41	(37.2)	

STATEMENT OF COMPREHENSIVE INCOME

30 September	BANK						GROUP						Rs. '000
	For the period ended			For the quarter ended			For the period ended			For the quarter ended			
	2022	2021	Change %	2022	2021	Change %	2022	2021	Change %	2022	2021	Change %	
Profit for the period	18,987,945	27,565,343	(31.1)	3,073,426	5,495,099	(44.1)	18,712,664	28,060,048	(33.3)	3,576,837	5,694,420	(37.2)	
Other comprehensive income for the period, net of tax	7,762,307	781,876	892.8	(176,239)	(3,068)	5,644.4	9,549,352	1,090,141	776.0	(564,654)	(142,562)	296.1	
Exchange differences on translation of foreign operations	17,346,428	2,346,751	639.2	3,367,157	5,401,113	(37.7)	17,346,428	2,346,751	639.2	3,367,157	5,401,113	(37.7)	
Net gains / (losses) on cashflow hedge instruments	971,972	(934,422)	(204.0)	(183,913)	(684,358)	(73.1)	892,048	(940,070)	(194.9)	(244,830)	(688,051)	(64.4)	
Net gains / (losses) on investments in debt instruments measured at FVTOCI	(5,631)	(31,843)	(82.2)	(23,992)	(100.0)	(100.0)	10,172	(31,843)	(132.1)	15,803	(23,992)	(165.9)	
Net gains / (losses) on FVTOCI financial instruments reclassification to profit or loss	(187,622)	245,368	(176.5)	1,785	169,695	(98.9)	(187,622)	245,368	(176.5)	1,785	169,695	(98.9)	
Share of other comprehensive income of Associate companies, net of tax	-	-	-	-	-	-	(8,068)	(12,722)	(36.8)	41,889	(13,871)	(402.0)	
Items that will not be reclassified to profit or loss	25,887,454	2,407,930	975.1	3,008,790	4,859,390	(38.1)	27,602,310	2,697,825	923.1	2,617,150	4,702,332	(44.3)	
Change in fair value on investments in equity instruments measured at FVTOCI	(615,518)	51,122	(1,304.0)	(15,308)	(192,749)	(92.1)	54,237	48,990	10.7	763,455	(15,716)	(4,957.8)	
Deferred tax effect on change in fair value on investments in equity instruments measured at FVTOCI	(222,319)	46,062	(582.7)	63,811	7,032	807.4	(222,319)	46,062	(582.7)	63,811	7,032	807.4	
Remeasurement of post-employment benefit obligations	-	-	-	-	-	-	90,198	1	9,019,700.0	89,515	(373)	(24,098.9)	
Deferred tax effect on post-employment benefit obligations	-	-	-	-	-	-	19,673	(395,319)	(10				

UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2022

DEBENTURE / ADDITIONAL TIER 1 CAPITAL BONDS INFORMATION

Description	Note	Interest Payable Frequency	Issue Date	Maturity Date	Coupon Rate		Interest Rate of Comparable Government Security	Amount	
					30-09-2022	31-12-2021		BANK	
					%	%		Rs. '000	Rs. '000
Sri Lanka Rupee Debentures									
Fixed interest rate									
Listed, unsecured, subordinated, redeemable debentures	a	Annually	25.10.2013	24.10.2022	13.25	13.25	21.67	1,347,318	1,227,205
Listed, unsecured, subordinated, redeemable debentures	a	Annually	25.10.2013	24.10.2023	13.75	13.75	22.84	1,803,804	1,637,573
Listed, unsecured, subordinated, redeemable debentures	a	Annually	22.09.2014	21.09.2023	-	8.25	-	-	1,873,393
Listed, unsecured, subordinated, redeemable debentures	a	Annually	06.10.2015	05.10.2023	9.50	9.50	23.74	1,261,484	1,205,286
Listed, unsecured, subordinated, redeemable debentures	a	Annually	29.12.2016	28.12.2024	12.75	12.75	23.35	858	784
Unlisted, unsecured, subordinated, redeemable debentures	a	Annually	29.12.2017	28.12.2022	12.50	12.50	21.81	5,464,086	5,003,321
Unlisted, unsecured, subordinated, redeemable debentures	a	Annually	29.12.2017	28.12.2025	12.75	12.75	24.92	5,473,129	5,003,300
Unlisted, unsecured, subordinated, redeemable debentures	a	Annually	31.07.2018	30.07.2026	12.00	12.00	25.51	6,829,121	7,026,897
Unlisted, unsecured, subordinated, redeemable debentures	a	Annually	03.12.2018	02.12.2023	12.00	12.00	23.64	5,820,613	5,347,308
Unlisted, unsecured, subordinated, redeemable debentures	a	Annually	27.06.2019	26.06.2024	11.75	11.75	23.16	3,088,919	3,176,646
Unlisted, unsecured, subordinated, redeemable debentures	a	Annually	17.07.2019	16.07.2024	11.80	11.80	24.49	1,073,484	1,104,096
Unlisted, unsecured, subordinated, redeemable debentures	a	Annually	18.07.2019	17.07.2024	11.80	11.80	24.49	2,250,982	2,315,172
Unlisted, unsecured, subordinated, redeemable debentures	a	Annually	23.07.2019	22.07.2024	11.80	11.80	24.49	2,553,567	2,626,523
Unlisted, unsecured, subordinated, redeemable debentures	a	Annually	24.07.2019	23.07.2024	11.50	11.50	24.49	408,312	419,672
Unlisted, unsecured, subordinated, redeemable debentures	a	Annually	26.07.2019	25.07.2027	11.75	11.75	24.86	62,402	64,176
								37,438,079	38,031,352
Floating interest rate									
Listed, unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 50 basis points)	a/b	Semi-annually	22.09.2014	21.09.2022	-	6.45	-	-	31
Listed, unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 125 basis points)	a/b	Semi-annually	06.10.2015	05.10.2023	13.50	6.35	23.74	2,173,568	2,070,535
Listed, unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 125 basis points)	a/b	Semi-annually	29.12.2016	28.12.2024	23.15	9.35	23.35	21	20
Unlisted, unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 250 basis points with a floor rate of 9.0%)	b	Semi-annually	22.11.2021	22.11.2026	27.19	10.53	25.51	5,917,350	5,459,537
								8,090,939	7,530,123
Additional Tier 1 capital bond									
Unlisted, unsecured, subordinated, perpetual capital bond (12 months TB (Net) rate plus 150 basis points with a Floor rate of 9.5%)		Annually	06.07.2020	N/A	25.34	9.50	-	5,274,060	5,226,898
Unlisted, unsecured, subordinated, perpetual capital bond (Weighted average 12 months TB (Net) rate plus 150 basis points with a Floor rate of 9.0%)		Annually	01.12.2020	N/A	9.66	9.00	-	10,797,839	10,076,290
Unlisted, unsecured, subordinated, perpetual capital bond (Weighted average 12 months TB (Net) rate plus 150 basis points with a Floor rate of 9.0%)		Annually	06.07.2021	N/A	25.34	9.00	-	3,533,620	3,494,192
								19,605,519	18,797,380
								65,134,537	64,358,855

Notes
a) Debentures that are listed on the Colombo Stock Exchange.
b) Weighted average 6 months Treasury Bill interest rate at the primary quotations as announced by the Central Bank of Sri Lanka, at the preceding week of the interest resetting date.

INFORMATION ON LISTED DEBENTURES

	1 Jan 2022 to 30 Sep 2022 Rs.	1 Jan 2021 to 31 Dec 2021 Rs.
Market Value		
BOC Debentures 2013/2023		
Unsecured, subordinated, redeemable, 9 years, fixed rate (13.25%)	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 10 years, fixed rate (13.75%)	Not Traded	Not Traded
BOC Debentures 2015/2023		
Unsecured, subordinated, redeemable, 8 years, fixed rate (9.50%)	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 8 years, floating rate (6 months TB rate (Gross) plus 125 basis points)	Not Traded	Not Traded
BOC Debentures 2016/2024		
Unsecured, subordinated, redeemable, 8 years, fixed rate (12.75%)	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 8 years, floating rate (6 months TB rate (Gross) plus 125 basis points)	Not Traded	Not Traded

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS - BANK Rs. '000

As at 30 September 2022	Fair Value through Profit or Loss	Amortised Cost	Fair Value through OCI	Others	Total
Financial assets					
Cash and cash equivalents	-	151,512,588	-	-	151,512,588
Balances with Central Banks	-	72,795,154	-	-	72,795,154
Placements with banks	-	17,829,924	-	-	17,829,924
Securities purchased under resale agreements	-	2,115,810	-	-	2,115,810
Derivative financial instruments	51,845,425	-	-	-	51,845,425
Loans and advances	-	2,363,664,411	-	-	2,363,664,411
Financial investments	9,633,014	1,567,968,803	8,235,670	-	1,579,837,487
Total financial assets	61,478,439	4,164,986,690	8,235,670	-	4,234,700,799
Other assets	-	-	-	167,798,191	167,798,191
Total assets	61,478,439	4,164,986,690	8,235,670	167,798,191	4,402,498,990

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS - GROUP Rs. '000

As at 30 September 2022	Fair Value through Profit or Loss	Amortised Cost	Fair Value through OCI	Others	Total
Financial assets					
Cash and cash equivalents	-	156,096,929	-	-	156,096,929
Balances with Central Banks	-	72,795,154	-	-	72,795,154
Placements with banks	-	18,585,096	-	-	18,585,096
Securities purchased under resale agreements	-	2,265,139	-	-	2,265,139
Derivative financial instruments	51,845,425	-	-	-	51,845,425
Loans and advances	-	2,398,088,998	-	-	2,398,088,998
Financial investments	10,029,717	1,561,710,813	11,671,121	-	1,583,411,651
Total financial assets	61,875,142	4,209,542,127	11,671,121	-	4,283,088,390
Other assets	-	-	-	173,857,361	173,857,361
Total assets	61,875,142	4,209,542,127	11,671,121	173,857,361	4,456,945,751

As at 31 December 2021	Fair Value through Profit or Loss	Amortised Cost	Others	Total
Financial liabilities				
Due to banks	-	14,593,033	-	14,593,033
Securities sold under repurchase agreements	-	191,226,205	-	191,226,205
Derivative financial instruments	2,265,716	-	-	2,265,716
Other financial liabilities held for trading	-	-	-	-
Due to depositors	-	3,314,049,281	-	3,314,049,281
Other borrowings	-	414,466,057	-	414,466,057
Debt securities issued	-	-	-	-
Subordinated liabilities	-	65,134,537	-	65,134,537
Total financial liabilities	2,265,716	3,999,469,113	-	4,001,734,829
Other liabilities	-	-	162,321,719	162,321,719
Total liabilities	2,265,716	3,999,469,113	162,321,719	4,164,066,548

As at 31 December 2021	Fair Value through Profit or Loss	Amortised Cost	Others	Total
Financial liabilities				
Due to banks	-	14,803,691	-	14,803,691
Securities sold under repurchase agreements	-	191,771,207	-	191,771,207
Derivative financial instruments	2,265,716	-	-	2,265,716
Other financial liabilities held for trading	-	-	-	-
Due to depositors	-	3,340,117,225	-	3,340,117,225
Other borrowings	-	419,582,488	-	419,582,488
Debt securities issued	-	25,883	-	25,883
Subordinated liabilities	-	64,859,954	-	64,859,954
Total financial liabilities	2,265,716	4,031,160,448	-	4,033,426,164
Other liabilities	-	-	168,812,787	168,812,787
Total liabilities	2,265,716	4,031,160,448	168,812,787	4,202,238,951

As at 31 December 2021	Fair Value through Profit or Loss	Amortised Cost	Others	Total
Financial assets				
Cash and cash equivalents	-	82,647,406	-	82,647,406
Balances with Central Banks	-	74,121,781	-	74,121,781
Placements with banks	-	4,957,417	-	4,957,417
Securities purchased under resale agreements	-	2,074,474	-	2,074,474
Derivative financial instruments	4,342,531	-	-	4,342,531
Loans and advances	-	2,413,762,291	-	2,413,762,291
Financial investments	9,230,022	1,082,179,876	18,302,556	1,129,712,454
Total financial assets	13,572,553	3,659,743,245	18,302,556	3,691,618,354
Other assets	-	-	111,665,489	111,665,489
Total assets	13,572,553	3,659,743,245	18,302,556	3,803,283,843

As at 31 December 2021	Fair Value through Profit or Loss	Amortised Cost	Others	Total
Financial assets				
Cash and cash equivalents	-	82,313,908	-	82,313,908
Balances with Central Banks	-	74,121,781	-	74,121,781
Placements with banks	-	5,342,369	-	5,342,369
Securities purchased under resale agreements	-	2,976,664	-	2,976,664
Derivative financial instruments	4,342,531	-	-	4,342,531
Due to depositors	-	2,446,330,329	-	2,446,330,329
Financial investments	9,640,813	1,082,837,662	22,879,810	1,115,358,285
Total financial assets	13,983,344	3,693,922,713	22,879,810	3,730,785,867
Other assets	-	-	117,163,889	117,163,889
Total assets	13,983,344	3,693,922,713	22,879,810	3,847,949,756

As at 31 December 2021	Fair Value through Profit or Loss	Amortised Cost	Others	Total
Financial liabilities				
Due to banks	-	17,936,070	-	17,936,070
Securities sold under repurchase agreements	-	162,156,413	-	162,156,413
Derivative financial instruments	380,328	-	-	380,328
Due to depositors	-	2,866,894,010	-	2,866,894,010
Other borrowings	-	444,107,977	-	444,107,977
Debt securities issued	-	-	-	-
Subordinated liabilities	-	64,358,855	-	64,358,855
Total financial liabilities	380,328	3,555,453,325	-	3,555,833,653
Other liabilities	-	-	46,690,358	46,690,358
Total liabilities	380,328	3,555,453,325	46,690,358	3,602,524,011

As at 31 December 2021	Fair Value through Profit or Loss	Amortised Cost	Others	Total
Financial liabilities				
Due to banks	-	18,646,339	-	18,646,339
Securities sold under repurchase agreements	-	161,668,335	-	161,668,335
Derivative financial instruments	380,328	-	-	380,328
Due to depositors	-	2,886,237,094	-	2,886,237,094
Other borrowings	-	447,875,002	-	447,875,002
Debt securities issued	-	2,107,182	-	2,107,182
Subordinated liabilities	-	64,105,970	-	64,105,970
Total financial liabilities	380,328	3,580,639,922	-	3,581,020,250
Other liabilities	-	-	51,532,729	51,532,729
Total liabilities	380,328	3,580,639,922	51,532,729	3,632,952,978

SEGMENTAL ANALYSIS - GROUP

For the nine month period ended 30th September	Rs. '000											
	Retail Banking		Corporate Banking		International, Treasury and Investment		Group Functions		Unallocated		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021		
Revenue from external customers:												
Interest income	27,318,514	42,958,516	45,941,560	20,763,230	25,848,340	27,397,300	2,528,064	2,675,007	8,807,048	(6,439,477)	110,443,526	84,354,577

Financial Statements

For the Nine Months Ended 30 September, 2022



STATEMENT OF PROFIT OR LOSS

	BANK				GROUP					
	Period ended 30/09/2022 LKR '000	Period ended 30/09/2021 LKR '000	Change %	Quarter ended 30/09/2022 LKR '000	Quarter ended 30/09/2021 LKR '000	Period ended 30/09/2022 LKR '000	Period ended 30/09/2021 LKR '000	Change %	Quarter ended 30/09/2022 LKR '000	Quarter ended 30/09/2021 LKR '000
Gross Income	74,503,232	46,059,687	62	29,963,109	15,586,535	75,611,756	47,354,648	60	30,398,658	16,044,113
Interest Income	65,172,138	38,712,186	68	28,016,452	13,251,091	65,346,148	38,786,062	68	28,111,396	13,268,363
Interest Expenses	42,984,936	22,780,032	89	20,818,036	7,661,120	42,933,115	22,769,025	89	20,788,813	7,658,607
Net Interest Income	22,187,202	15,932,154	39	7,198,416	5,589,971	22,413,033	16,017,037	40	7,322,583	5,609,756
Fee and Commission Income	4,411,473	4,013,748	10	1,329,064	1,418,625	5,344,758	5,335,746	0	1,642,759	1,810,579
Less: Fee and commission Expenses	16,908	20,958	(19)	2,384	5,900	16,908	20,958	(18)	2,384	5,900
Net Fee and Commission Income	4,394,565	3,992,791	10	1,326,680	1,412,725	5,327,850	5,315,148	0	1,640,375	1,804,679
Net gain/(loss) from trading	(970,532)	1,917,864	(151)	438,757	902,003	(970,532)	1,917,864	(151)	438,757	902,003
Net gain/(loss) from financial assets at fair value Through Profit or Loss	(490,748)	189,556	(359)	(131,100)	(29,836)	(423,908)	249,130	(270)	(55,605)	18,285
Net gain/(losses) from derecognition of financial assets	24,184	212,904	(89)	36,279	(762)	24,184	212,904	(89)	36,279	(16,907)
Other operating income	6,356,717	1,034,387	515	273,657	51,314	6,291,106	873,540	620	225,072	67,690
Total Operating Income	31,501,388	23,279,655	35	9,142,690	7,925,415	32,661,735	24,585,624	33	9,607,462	8,385,506
Less: Impairment Charges	22,224,799	6,652,652	234	8,297,113	2,507,339	22,216,234	6,645,541	234	8,294,539	2,500,229
Net operating income	9,276,589	16,627,003	(44)	845,576	5,418,076	10,445,501	17,940,083	(42)	1,312,923	5,885,277
Operating Expenses										
Personnel Expenses	4,335,014	4,205,998	3	1,396,657	1,411,899	4,791,972	4,618,833	4	1,552,522	1,501,367
Depreciation and amortization	623,972	630,671	(1)	214,163	202,215	672,695	677,876	(1)	228,946	210,465
Other Expenses	3,527,995	2,864,201	23	1,123,087	978,303	3,824,262	3,209,774	19	1,252,407	1,099,648
Total operating expenses	8,486,980	7,700,871	10	2,733,905	2,592,417	9,288,929	8,506,483	9	3,033,875	2,811,480
Operating Profit Before Tax on Financial Services	789,609	8,926,133	(91)	(1,888,329)	2,832,190	1,156,572	9,433,600	(88)	(1,720,952)	3,073,797
Less: Value Added Tax (VAT) on Financial services	762,831	1,667,612	(54)	(78,189)	548,574	762,831	1,667,612	(54)	(78,189)	548,574
Operating Profit After Tax on Financial Services	26,778	7,258,521	(100)	(1,810,140)	2,283,616	393,741	7,765,988	(95)	(1,642,763)	2,525,223
Share of associate companies' profits/(losses)	-	-	-	-	-	-	-	-	-	-
Profit Before Taxation	26,778	7,258,521	(100)	(1,810,140)	2,283,616	393,741	7,765,988	(95)	(1,642,763)	2,525,223
Less: Income tax expenses	(534,443)	1,618,689	(133)	(666,167)	570,680	(297,625)	1,714,183	(117)	(577,268)	635,907
Profit for the period	561,221	5,639,832	(90)	(1,143,973)	1,712,936	691,366	6,051,805	(89)	(1,065,495)	1,889,316
Profit Attributable to:										
Equity Holders of the parent	561,221	5,639,832	(90)	(1,143,973)	1,712,936	641,303	5,968,076	(89)	(1,083,460)	1,872,110
Non Controlling Interests	-	-	-	-	-	50,064	83,729	(40)	17,965	17,206
	561,221	5,639,832	(90)	(1,143,973)	1,712,936	691,366	6,051,805	(89)	(1,065,495)	1,889,316
Basic Earnings per share (in LKR)	1.48	20.41	(93)	(3.01)	6.20	1.69	21.60	(92)	(2.85)	6.78
Diluted Earnings per share (in LKR)	1.48	20.41	(93)	(3.01)	6.20	1.69	21.60	(92)	(2.85)	6.78

STATEMENT OF COMPREHENSIVE INCOME

	BANK				GROUP					
	Period ended 30/09/2022 LKR '000	Period ended 30/09/2021 LKR '000	Change %	Quarter ended 30/09/2022 LKR '000	Quarter ended 30/09/2021 LKR '000	Period ended 30/09/2022 LKR '000	Period ended 30/09/2021 LKR '000	Change %	Quarter ended 30/09/2022 LKR '000	Quarter ended 30/09/2021 LKR '000
Profit for the period	561,221	5,639,832	(90)	(1,143,973)	1,712,936	691,366	6,051,805	(89)	(1,065,494)	1,889,316
Items that will be reclassified to Statement of Profit or loss										
Exchange differences on translation of foreign operations	-	-	-	-	-	221,609	19,715	1,024	(21,469)	(1,503)
Net Gains/(losses) on Investments in debt Instruments measured at fair value through other Comprehensive Income	2,054,067	(1,565,222)	231	8,463	(1,298,442)	2,023,006	(1,571,210)	229	10,129	(1,300,777)
Changes in Impairment allowance for Expected credit losses	(181,155)	9,123	(2,086)	-	5,310	(181,155)	9,123	(2,086)	-	5,310
Cash Flow Hedge Reserve-SWAP	5,217,960	-	100	241,328	-	5,217,960	-	-	241,328	-
Less: Tax expense relating to Items that will be reclassified to Income Statements	(1,817,578)	378,313	(580)	(1,254,340)	312,901	(1,817,578)	378,313	(580.44)	(1,254,340)	312,901
	A	5,273,295	(1,177,785)	548	(1,004,550)	5,463,842	(1,164,060)	569	(1,024,352)	(984,069)
Items that will not be reclassified to Statement of Profit or Loss										
Net Gains/(losses) on Investments in equity Instruments measured at fair value through other Comprehensive Income	(319,044)	22,070	(1,546)	73,997	(48,420)	(319,044)	22,070	(1,546)	73,997	(48,420)
Less: Tax expense relating to Items that will not be reclassified to Income Statements	-	(35,273)	(100)	-	-	-	(35,273)	(100)	-	-
	B	(319,044)	13,203	(2,516)	73,997	(319,044)	(13,203)	(2,316)	73,997	(48,420)
Total Other Comprehensive Income after Tax	A + B	4,954,251	(1,190,988)	516	(930,553)	5,144,798	(1,177,263)	537	(950,356)	(1,032,489)
Total Comprehensive Income for the period	5,515,471	4,448,844	24	(2,074,526)	684,285	5,836,165	4,874,543	20	(2,015,850)	856,827
Attributable to:										
Equity holders of the parent	5,515,471	4,448,844	24	(2,074,526)	684,285	5,739,885	4,786,584	20	(2,032,019)	839,833
Non Controlling Interests	-	-	-	-	-	96,280	87,959	9	16,169	16,994
	5,515,471	4,448,844	23.98	(2,074,526)	684,285	5,836,165	4,874,543	20	(2,015,850)	856,827

STATEMENT OF CHANGES IN EQUITY

	BANK				GROUP					
	As at 30/09/2022 LKR '000	As at 31/12/2021 LKR '000	As at 30/09/2022 LKR '000	As at 31/12/2021 LKR '000	As at 30/09/2022 LKR '000	As at 31/12/2021 LKR '000	As at 30/09/2022 LKR '000	As at 31/12/2021 LKR '000		
BANK										
Balance as at 01 January 2021	8,794,333	2,196,479	1,311,992	(648,360)	-	33,126,579	44,781,023	-	44,781,023	
Total Comprehensive Income for the period	-	-	-	-	-	5,639,832	5,639,832	-	5,639,832	
Other Comprehensive Income before Tax	-	-	-	-	-	9,123	(1,534,028)	-	(1,534,028)	
Tax on Other Comprehensive Income	-	-	-	-	-	(107,786)	343,040	-	343,040	
Total Comprehensive Income for the period	-	-	-	-	-	5,541,169	4,448,844	-	4,448,844	
Transactions with equity holders										
Issue of Shares	9,469,276	-	-	-	-	-	9,469,276	-	9,469,276	
Dividends Paid	-	-	-	-	-	(345,878)	(345,878)	-	(345,878)	
Balance as at 30 September 2021	18,263,609	2,196,479	1,384,872	(1,813,565)	-	38,321,870	58,353,264	-	58,353,265	
Balance as at 01 January 2022	18,263,609	2,571,479	1,402,195	44,479	(2,483,938)	-	39,134,382	58,932,206	-	58,932,206
Charge relating to surcharge tax	-	-	-	-	-	(2,456,403)	(2,456,403)	-	(2,456,403)	
Restated Balance as at 01 January 2022	18,263,609	2,571,479	1,402,195	44,479	(2,483,938)	-	36,677,979	56,475,803	-	56,475,803
Total Comprehensive Income for the period	-	-	-	-	-	-	561,221	-	561,221	
Other Comprehensive Income before Tax	-	-	-	-	-	1,735,023	5,217,960	-	6,952,983	
Tax on Other Comprehensive Income	-	-	-	-	-	(565,288)	(1,252,310)	-	(1,817,578)	
Total Comprehensive Income for the period	-	-	-	44,479	1,169,755	3,965,650	380,066	5,515,471	-	5,515,471
Transactions with equity holders										
Issue of Shares	9,469,276	-	-	-	-	-	9,469,276	-	9,469,276	
Dividends Paid	-	-	-	-	-	(345,878)	(345,878)	-	(345,878)	
Dividend attributable to non controlling interest	-	-	-	-	-	-	(50,216)	-	(50,216)	
Balance as at 30 September 2021	18,263,609	2,196,479	1,535,995	(1,792,232)	-	41,682,367	61,886,219	1,264,898	63,151,109	
Balance as at 01 January 2022	18,263,609	2,571,479	1,583,831	44,479	(2,467,181)	-	42,730,952	62,727,169	-	62,727,169
Charge relating to surcharge tax	-	-	-	-	-	(2,554,396)	(2,554,396)	-	(2,576,177)	
Restated Balance as at 01 January 2022	18,263,609	2,571,479	1,583,831	44,479	(2,467,181)	-	40,176,556	60,172,773	-	60,172,773
Total Comprehensive Income for the period	-	-	-	-	-	-	641,303	50,064	691,367	
Other Comprehensive Income before Tax	-	-	-	-	-	1,703,962	5,217,960	(5,762)	6,916,160	
Tax on Other Comprehensive Income	-	-	-	-	-	(565,288)	(1,252,310)	-	(1,817,578)	
Total Comprehensive Income for the period	-	-	-	-	1,138,674	3,965,650	635,541	5,739,885	96,280	5,836,165
Transactions with equity holders										
Issue of Shares	9,469,276	-	-	-	-	-	9,469,276	-	9,469,276	
Dividends Paid</										

Financial Statements

For the Nine Months Ended 30 September, 2022

SEGMENTAL ANALYSIS - GROUP

For the period ended 30 September	Banking		Capital Markets		Property Investment		Others		Consolidated	
	2022 LKR '000	2021 LKR '000	2022 LKR '000	2021 LKR '000	2022 LKR '000	2021 LKR '000	2022 LKR '000	2021 LKR '000	2022 LKR '000	2021 LKR '000
Revenue										
Interest Income	65,172,138	38,712,186	122,189	62,769	-	-	-	-	65,294,327	38,774,955
Fee and Commission Income	4,411,473	3,992,791	608,133	1,090,439	149,196	138,498	66,792	52,063	5,235,594	5,273,790
Net gain/(loss) from trading	(970,532)	1,917,864	-	-	-	-	-	-	(970,532)	1,917,864
Net gain/(loss) from financial assets at fair value Through Profit or Loss	(490,748)	189,556	66,840	59,574	-	-	-	-	(423,908)	249,130
Net gains/(losses) from derecognition of financial assets	24,184	212,904	(0)	-	-	-	-	-	24,184	212,904
Other Operating Income	6,049,877	827,469	241,229	46,071	-	-	-	-	6,291,106	873,540
Total revenue from external customers	74,196,393	45,852,769	1,038,391	1,258,854	149,081	138,543	66,792	52,063	75,450,656	47,302,229
Inter-segment Revenue	-	-	97,524	9,695	63,576	42,694	-	-	161,100	52,389
Total Revenue	74,196,393	45,852,769	1,135,915	1,268,549	212,657	181,237	66,792	52,063	75,611,756	47,354,648
Impairment (charge)/reversal for Loans & other losses	(22,216,234)	(6,645,541)	-	-	-	-	-	-	(22,216,234)	(6,645,541)
Segment expenses	(51,423,696)	(30,469,896)	(744,210)	(745,399)	(6,629)	(6,584)	(64,416)	(53,633)	(52,238,952)	(31,275,509)
Total segment expenses	(73,639,930)	(37,115,437)	(744,210)	(745,399)	(6,629)	(6,584)	(64,416)	(53,633)	(74,455,186)	(37,921,049)
Segment results	556,462	8,737,332	391,705	523,150	206,027	174,653	2,376	(1,570)	1,156,572	9,433,600
Income tax expenses	-	-	-	-	-	-	-	-	(297,625)	1,714,183
Taxes on financial services	-	-	-	-	-	-	-	-	762,831	1,667,612
Profit after taxation	-	-	-	-	-	-	-	-	691,367	6,051,805
Other information										
Segment assets	818,293,418	678,761,068	3,166,728	2,911,470	3,145,095	2,871,615	184,227	120,281	824,789,469	684,664,435
Consolidated total assets	818,293,418	678,761,068	3,166,728	2,911,470	3,145,095	2,871,615	184,227	120,281	824,789,469	684,664,435
Segment liabilities	756,031,880	620,037,266	1,059,910	901,805	738,849	563,166	25,983	11,089	757,856,625	621,513,326
Consolidated total liabilities	756,031,880	620,037,266	1,059,910	901,805	738,849	563,166	25,983	11,089	757,856,625	621,513,326
Segmental Cash flows										
Cash flows from operating activities	38,322,441	(29,119,837)	14,386	307,176	126,586	111,727	937	(5,811)	38,464,350	(28,706,744)
Cash flows from investing activities	(42,693,899)	8,790,755	375,888	(105,989)	(61,941)	(128,913)	-	-	(42,379,952)	8,555,853
Cash flows from financing activities	11,661,586	12,461,945	-	(49,875)	-	-	-	-	11,661,586	12,412,070

STATEMENT OF CASH FLOW

For the period ended 30 September	BANK		GROUP	
	2022 LKR '000	2021 LKR '000	2022 LKR '000	2021 LKR '000
CASH FLOWS FROM OPERATING ACTIVITIES				
Interest received	61,068,638	39,238,096	61,117,388	39,246,716
Fee based income received	4,481,293	4,005,329	5,872,643	5,196,963
Dividend income received	344,027	72,716	359,593	251,932
Other Operating income received	4,886,258	2,867,452	4,999,257	3,254,040
Interest paid	(35,965,500)	(22,832,426)	(35,975,724)	(22,860,598)
Personnel costs paid	(4,202,862)	(4,092,189)	(4,557,503)	(4,456,597)
Other expenses paid	(3,493,927)	(2,772,090)	(3,983,923)	(3,103,951)
Operating Profit before changes in operating assets and liabilities (Increase)/decrease in operating assets	27,117,927	16,486,888	27,831,730	17,528,505
Deposits held for regulatory or monetary control purposes	(508,871)	(8,442,629)	(508,871)	(8,442,629)
Financial Assets at amortised cost - loans and receivables to other customers	(70,756,662)	(67,370,242)	(70,756,662)	(67,370,313)
Net (increase)/decrease in operating assets	(4,062,323)	(1,058,879)	(3,576,594)	(1,354,205)
(Increase)/decrease in operating liabilities				
Financial liabilities at amortised cost - due to depositors	91,559,670	35,574,809	91,183,069	35,264,432
Financial liabilities at amortised cost - due to debt securities holders	(447,958)	(47,378)	(447,958)	(47,378)
Financial liabilities at amortised cost - due to other borrowers	1,848,155	9,486,312	1,848,155	9,486,312
Repayment of principal portion of lease liabilities	(417,479)	(405,380)	(447,178)	(410,638)
Net increase/(decrease) in other liabilities	(854,005)	(9,851,300)	(1,228,548)	(1,633,224)
Net cash generated/(used in) from operating activities before taxation	43,478,454	(25,533,043)	43,897,144	(15,414,482)
Tax on Financial Services paid	(1,155,544)	(1,467,294)	(1,155,544)	(1,467,294)
Income taxes paid	(4,000,469)	(2,072,121)	(4,277,250)	(2,291,278)
Net cash generated/(used in) from operating activities	38,322,441	(29,072,458)	38,464,350	(19,173,054)
CASH FLOWS FROM INVESTING ACTIVITIES				
Net changes in financial investments	(41,823,120)	9,601,606	(41,438,036)	9,518,463
Purchase of Intangible assets	(601,298)	(374,761)	(601,298)	(374,761)
Purchase of property, plant & equipment	(269,481)	(442,886)	(279,537)	(595,131)
Proceeds from sale of property, plant & equipment	-	6,596	(61,081)	7,282
Net cash generated/(used in) from investing activities	(42,693,899)	8,790,755	(42,379,952)	8,555,853
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of ordinary shares (as a right issue/private placement)	-	9,469,276	-	9,469,276
Interest paid on debts securities issued	(1,859,839)	(1,387,694)	(1,859,839)	(1,387,694)
Proceed/(Repayment) of Institutional borrowings	13,867,063	(4,820,399)	13,867,063	(4,820,399)
Dividends paid to non-controlling interests	(345,638)	(332,928)	(345,638)	(332,928)
Dividends paid to shareholders of the Bank	-	-	-	-
Net cash provided by/(used in) financing activities	11,661,586	2,928,255	11,661,586	2,878,380
NET INCREASE IN CASH AND CASH EQUIVALENTS	7,290,128	(7,867,137)	7,745,984	(7,738,821)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	21,711,222	22,889,141	22,064,673	23,180,480
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	29,001,351	15,022,004	29,810,656	15,441,659
RECONCILIATION OF CASH AND CASH EQUIVALENTS				
Cash and cash equivalents	26,659,900	12,170,473	27,469,205	12,590,128
Placements with banks	2,341,451	2,851,531	2,341,451	2,851,531
Cash and cash equivalents at the end of the period	29,001,351	15,022,004	29,810,656	15,441,659

7. ANALYSIS OF LOANS & ADVANCES, COMMITMENTS, CONTINGENCIES AND IMPAIRMENT AS AT 30 SEPTEMBER 2022

8.1 PRODUCT WISE GROSS LOANS AND RECEIVABLES	Bank		Group	
	As at 30/09/2022	As at 31/12/2021	As at 30/09/2022	As at 31/12/2021
	LKR '000	LKR '000	LKR '000	LKR '000
By product-Domestic Currency				
Term loans	139,394,263	137,834,028	139,394,263	137,834,028
Medium and short term loans	75,350,674	76,703,108	75,350,674	76,703,108
Overdrafts	81,416,050	68,131,132	81,416,022	67,896,681
Trade Finance	30,137,502	21,378,582	30,137,502	21,378,582
Consumer loans	56,369,095	55,080,118	56,369,095	55,080,118
Lease rentals receivable and Hire Purchase	25,446,017	28,080,778	25,446,017	28,080,778
Housing loans	19,577,026	19,158,111	19,577,026	19,158,111
Islamic Banking facilities	11,051,841	9,847,168	11,051,841	9,847,168
Credit cards	7,842,536	7,948,654	7,842,536	7,948,654
AF Loans	3,663,167	3,423,346	3,663,167	3,423,346
Staff loans	2,421,746	2,469,881	2,489,964	2,539,660
Pawning	10,912,256	6,598,837	10,912,256	6,598,837
Sub total	463,582,173	436,653,742	463,650,363	436,489,071
By product-Foreign Currency				
Term loans	21,308,438	12,675,560	21,308,438	12,675,560
Overdrafts	9,278,498	4,967,174	9,278,498	4,967,174
Medium and short term loans	63,495,416	40,761,255	63,495,416	40,761,255
Trade Finance	37,027,520	26,943,852	37,027,520	26,943,852
Islamic Banking facilities	5,450,082	4,066,951	5,450,082	4,066,951
Housing loans	109,082	72,508	109,082	72,508
Sub total	136,669,036	89,487,300	136,669,036	89,487,300
Total	600,251,209	526,141,042	600,319,399	525,976,370

8.2 PRODUCT WISE COMMITMENTS AND CONTINGENCIES CONSIDERED FOR IMPAIRMENT	Bank		Group	
	As at 30/09/2022	As at 31/12/2021	As at 30/09/2022	As at 31/12/2021
	LKR '000	LKR '000	LKR '000	LKR '000
By product-Domestic Currency				
Guarantees	33,156,668	45,401,544	33,010,717	49,613,333
Performance Bonds	13,947,657	15,046,077	13,947,657	13,972,889
Documentary Credits	546,472	1,298,545	546,472	830,692
Acceptances	43,641	150,687	43,641	66,045
Undrawn commitments	168,720,118	124,328,802	169,115,922	137,451,546
Sub Total	216,414,555	186,225,655	216,664,408	201,934,505
By product-Foreign Currency				
Guarantees	12,275,644	16,304,037	12,275,644	22,422,147
Performance Bonds	12,093,677	7,353,616	12,093,677	6,534,172
Documentary Credits	8,634,812	22,954,557	8,634,812	28,888,267
Acceptances	6,787,443	27,790,358	6,787,443	24,712,596
Undrawn commitments	1,340,307	1,041,634	1,340,307	1,171,246
Sub Total	82,263,766	75,444,201	41,131,883	83,728,428
Total	298,678,321	261,669,856	257,796,291	285,662,932

RATED UNSECURED SUBORDINATED REDEEMABLE DEBENTURES

INFORMATION ON DEBENTURES - BANK

Type of Debenture	CSE Listing	Interest payable frequency	Balance as at 30 September 2022 LKR Mn	Market Value			Interest Rate		Interest Rate of comparable Government Security %	Other ratios as at last trade	
				Highest LKR	Lowest LKR	Quarter end LKR	Coupon Rate %	Effective Annual Yield %		Interest Yield %	Yield to Maturity %
				Not traded during the quarter							
Fixed rate - Debenture November 2021	Listed	Semi-annually	8,190	Not traded during the quarter			11.90	11.66	11.14	Not traded during the quarter	
A - Nov 2021/Nov 2026			120				12.00	11.73	11.61		
Fixed rate - Debenture September 2020	Listed	Annually	6,494	Not traded during the quarter			9.50	9.16	6.57	Not traded during the quarter	
Sep 2020/ Sep 2025											
Fixed rate - Debenture March 2019	Listed	Semi-annually	1,241	Not traded during the quarter			13.50	13.17	11.04	Not traded during the quarter	
A - Mar 2019/Mar 2024			4,605				13.95	13.1	11.04		
Fixed rate - Debenture December 2013	Listed	Annually	4,006	Not traded during the quarter			13.90	13.17	11.80	Not traded during the quarter	
C - Dec 2013/Dec 2023			3,953	Not traded during the quarter			14.				

SAMPATH BANK PLC

INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH SEPTEMBER 2022

(In terms of rule 7.4 of the Colombo Stock Exchange)

Company Number: PQ144

STATEMENT OF PROFIT OR LOSS

	Bank						Group					
	For the nine months ended 30th September			For the quarter ended 30th September			For the nine months ended 30th September			For the quarter ended 30th September		
	2022	2021	Change	2022	2021	Change	2022	2021	Change	2022	2021	Change
	Rs 000	Rs 000	%	Rs 000	Rs 000	%	Rs 000	Rs 000	%	Rs 000	Rs 000	%
Gross income	136,597,968	76,576,261	78.4	53,849,467	25,257,790	113.2	142,745,042	82,724,167	72.6	56,058,282	27,429,052	104.4
Interest income	106,051,372	63,244,699	67.7	46,802,684	21,263,277	120.1	111,203,342	67,985,644	63.6	48,661,346	22,821,955	113.2
Less: Interest expense	52,792,140	33,552,083	57.3	24,943,090	10,836,379	130.2	55,902,646	35,494,910	57.5	26,373,426	11,435,738	130.6
Net interest income	53,259,232	29,692,616	79.4	21,859,594	10,426,898	109.6	55,300,696	32,490,734	70.2	22,287,920	11,386,217	95.7
Fee & commission income	15,104,303	9,023,952	67.4	5,290,172	3,186,029	66.0	15,704,887	9,729,740	61.4	5,466,041	3,465,010	57.7
Less: Fee & commission expense	1,810,212	1,183,015	53.0	588,791	402,290	46.4	1,811,738	1,183,612	53.1	589,252	402,154	46.5
Net fee & commission income	13,294,091	7,840,937	69.5	4,701,381	2,783,739	68.9	13,893,149	8,546,128	62.6	4,876,789	3,062,856	59.2
Net (loss)/gain from trading	(3,016,235)	(98,394)	(2,965.5)	(474,629)	(144,780)	(227.8)	(3,016,235)	(98,394)	(2,965.5)	(474,629)	(144,780)	(227.8)
Net gain/(loss) on derecognition of financial assets												
- at fair value through profit or loss	448,679	80,234	459.2	227,490	21,058	980.3	448,679	80,234	459.2	227,490	21,058	980.3
- at fair value through other comprehensive income	(16,269)	30,313	(153.7)	20,436	1,968	938.4	(16,269)	30,313	(153.7)	20,436	1,968	938.4
- at amortised cost	-	5,682	(100.0)	-	238	(100.0)	-	5,682	(100.0)	-	238	(100.0)
Net other operating income	18,026,118	4,289,775	320.2	1,983,314	930,000	113.3	18,420,638	4,990,948	269.1	2,157,598	1,263,603	70.7
Total operating income	81,995,616	41,841,163	96.0	28,317,586	14,019,121	102.0	85,030,658	46,045,645	84.7	29,095,604	15,591,160	86.6
Less: Impairment charge	48,807,580	9,841,249	395.9	20,626,371	4,846,349	325.6	49,190,396	11,171,495	340.3	20,620,632	5,308,052	288.5
Net operating income	33,188,036	31,999,914	3.7	7,691,215	9,172,772	(16.2)	35,840,262	34,874,150	2.8	8,474,972	10,283,108	(17.6)
Less: Operating expenses												
Personnel expenses	9,533,242	8,651,948	10.2	2,906,608	2,777,004	4.7	10,562,773	9,646,992	9.5	3,218,670	3,130,740	2.8
Depreciation and amortisation expenses	1,798,683	2,083,644	(13.7)	598,151	697,061	(14.2)	1,752,386	1,967,230	(10.9)	584,095	634,551	(8.0)
Other expenses	9,145,757	5,836,296	56.7	3,309,953	2,104,953	57.2	9,616,909	6,402,872	50.2	3,462,147	2,320,772	49.2
Total operating expenses	20,477,682	16,571,888	23.6	6,814,712	5,579,018	22.1	21,932,068	18,017,094	21.7	7,264,912	6,086,063	19.4
Operating profit before taxes on financial services	12,710,354	15,428,026	(17.6)	876,503	3,593,754	(75.6)	13,908,194	16,857,056	(17.5)	1,210,060	4,197,045	(71.2)
Less: Value added tax on financial services	3,395,575	3,105,950	9.3	581,602	819,086	(29.0)	3,701,380	3,370,574	9.8	643,054	907,753	(29.2)
Profit before income tax	9,314,779	12,322,076	(24.4)	294,901	2,774,668	(89.4)	10,206,814	13,486,482	(24.3)	567,006	3,289,292	(82.8)
Less: Income tax expense	2,114,386	3,340,827	(36.7)	179,945	858,106	(79.0)	2,521,244	3,688,245	(31.6)	250,655	1,010,704	(75.2)
Profit for the period	7,200,393	8,981,249	(19.8)	1,114,956	1,916,562	(94.0)	7,685,570	9,798,237	(21.6)	316,351	2,278,588	(86.1)
Attributable to:												
Equity holders of the Bank	7,200,393	8,981,249	(19.8)	1,114,956	1,916,562	(94.0)	7,685,570	9,798,237	(21.6)	316,351	2,278,588	(86.1)
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-
Earnings per share - Basic/Diluted (Rs)	6.29	7.85	(19.8)	0.10	1.67	(94.0)	6.72	8.56	(21.6)	0.28	1.99	(86.1)

STATEMENT OF FINANCIAL POSITION

As at	Bank			Group		
	30th September 2022	31st December 2021 (Audited)	Change	30th September 2022	31st December 2021 (Audited)	Change
	Rs 000	Rs 000	%	Rs 000	Rs 000	%
ASSETS						
Cash & cash equivalents	49,393,680	22,882,999	115.9	49,522,030	23,027,588	115.1
Balances with Central Bank of Sri Lanka	31,110,217	30,874,556	0.8	31,110,217	30,874,556	0.8
Placements with banks	3,286,637	2,739,514	20.0	3,286,637	2,739,514	20.0
Reverse repurchase agreements	-	2,752,011	(100.0)	185,000	4,861,922	(96.2)
Derivative financial instruments	278,870	1,399,119	(80.1)	278,870	1,399,119	(80.1)
Financial assets recognised through profit or loss						
- measured at fair value	6,548,666	3,907,704	67.6	6,548,666	3,907,704	67.6
Financial assets at amortised cost						
- loans & advances	857,047,340	762,588,294	12.4	888,054,483	795,804,353	11.6
- debt & other instruments	288,303,090	293,766,967	(1.9)	292,014,706	294,667,208	(0.9)
Financial assets - fair value through other comprehensive income	25,008,121	43,004,145	(41.8)	25,008,177	43,004,201	(41.8)
Investment in subsidiaries	3,898,512	3,503,350	11.3	-	-	-
Property, plant & equipment	7,672,479	7,817,923	(1.9)	16,950,954	16,337,516	3.8
Intangible assets	553,819	544,916	1.6	578,643	567,681	1.9
Right-of-use assets	3,360,788	3,265,318	2.9	3,167,519	3,031,790	4.5
Current tax receivables	-	-	-	-	4,177	(100.0)
Deferred tax assets	13,152,124	6,157,958	113.6	13,399,933	6,242,982	113.7
Other assets	23,334,064	14,708,621	58.6	25,051,342	16,162,339	55.0
Total Assets	1,312,948,407	1,199,913,395	9.4	1,355,097,177	1,242,632,650	9.1
LIABILITIES						
Due to banks	16,355,939	23,653,247	(30.9)	22,536,556	31,532,293	(28.5)
Derivative financial instruments	2,379,647	607,923	291.4	2,379,647	607,923	291.4
Securities sold under repurchase agreements	34,306,717	4,157,662	725.1	32,955,791	4,157,662	692.7
Financial liabilities at amortised cost						
- due to depositors	1,059,211,285	977,945,952	8.3	1,076,840,573	994,317,574	8.3
- due to other borrowers	9,754,168	14,434,115	(32.4)	9,754,168	14,434,115	(32.4)
- due to debt securities holders	30,780,299	31,006,592	(0.7)	39,258,964	37,274,207	5.3
Retirement benefit obligation	3,290,020	2,573,127	27.9	3,446,252	2,706,462	27.3
Dividend payable	190,258	148,032	28.5	190,258	148,032	28.5
Current tax liabilities	10,804,584	7,524,844	43.6	11,222,953	8,375,511	34.0
Deferred tax liabilities	-	-	-	-	979,815	-
Other liabilities	26,462,438	19,110,242	38.5	27,762,054	20,913,538	32.7
Total Liabilities	1,193,535,355	1,081,161,736	10.4	1,227,327,031	1,115,447,132	10.0
EQUITY						
Stated capital	47,622,493	47,622,493	-	47,622,493	47,622,493	-
Reserves						
Statutory reserve fund	5,075,000	5,075,000	-	5,315,000	5,315,000	-
Other reserves	58,242,607	57,247,452	1.7	61,376,333	60,381,178	1.6
Retained earnings	8,472,952	8,806,714	(3.8)	13,456,320	13,866,847	(3.0)
Total equity attributable to equity holders of the Bank	119,413,052	118,751,659	0.6	127,770,146	127,185,518	0.5
Non-controlling interest	-	-	-	-	-	-
Total Equity	119,413,052	118,751,659	0.6	127,770,146	127,185,518	0.5
Total Liabilities & Equity	1,312,948,407	1,199,913,395	9.4	1,355,097,177	1,242,632,650	9.1
Commitments & contingencies	323,369,857	392,079,682	(17.5)	322,671,526	389,844,633	(17.2)
Net asset value per share (Rs)	104.35	103.77	0.6	111.65	111.14	0.5
Memorandum information						
Number of employees	3,924	4,013				
Number of branches	229	229				

STATEMENT OF COMPREHENSIVE INCOME

	Bank						Group					
	For the nine months ended 30th September			For the quarter ended 30th September			For the nine months ended 30th September			For the quarter ended 30th September		
	2022	2021	Change	2022	2021	Change	2022	2021	Change	2022	2021	Change
	Rs 000	Rs 000	%	Rs 000	Rs 000	%	Rs 000	Rs 000	%	Rs 000	Rs 000	%
Profit for the period	7,200,393	8,981,249	(19.8)	1,114,956	1,916,562	(94.0)	7,685,570	9,798,237	(21.6)	316,351	2,278,588	(86.1)
Other comprehensive income												
Items that will be reclassified to profit or loss:												
Debt instruments at fair value through other comprehensive income:												
Loss arising on re-measurement	(4,249,882)	(936,947)	(353.6)	(80,308)	(952,180)	91.6	(4,249,882)	(936,947)	(353.6)	(80,308)	(952,180)	91.6
Reclassification to profit or loss due to derecognition	16,269	(30,313)	153.7	(20,436)	(1,968)	(938.4)	16,269	(30,313)	153.7	(20,436)	(1,968)	(938.4)
Changes in impairment for expected credit losses	425,161	8,609	4,838.6	171,558	5,596	2,965.7	425,161	8,609	4,838.6	171,558	5,596	2,965.7
Reclassification of treasury bonds at FVOCI to amortised cost	4,787,611	-	100.0	-	-	-	4,787,611	-	100.0	-	-	-
Deferred tax effect on the above	(234,999)	224,572										

SAMPATH BANK PLC

INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH SEPTEMBER 2022

(In terms of rule 7.4 of the Colombo Stock Exchange)

Company Number: PQ144

STATEMENT OF CHANGES IN EQUITY

Bank	For the nine months ended 30th September 2021						
	Stated Capital	Statutory Reserve Fund	Other Reserves			Retained Earnings	Total Equity
			Revaluation Reserve	FVOCI Reserve	General Reserve		
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Balance as at 1st January 2021	47,622,493	4,450,000	2,993,599	1,838,203	46,455,786	4,188,723	107,548,804
Total comprehensive income for the period	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	8,981,249	8,981,249	8,981,249
Other comprehensive income	-	-	166,311	875,347	(205,794)	-	835,864
Total comprehensive income for the period	-	-	166,311	875,347	(205,794)	-	835,864
Transactions with equity holders, recognised directly in equity, contributions by and distributions to equity holders	-	-	-	-	-	-	-
Final dividend for 2020: cash	-	-	-	-	-	(3,147,028)	(3,147,028)
Unclaimed dividend adjustments	-	-	-	-	13,392	-	13,392
Total contributions by and distributions to equity holders	-	-	-	-	13,392	(3,147,028)	(3,133,636)
Net gain on derecognition of equity instruments at fair value through other comprehensive income	-	-	-	(7,098)	-	-	(7,098)
Balance as at 30th September 2021	47,622,493	4,450,000	3,159,910	2,706,452	46,469,178	9,824,248	114,232,281

Bank	For the nine months ended 30th September 2022						
	Stated Capital	Statutory Reserve Fund	Other Reserves			Retained Earnings	Total Equity
			Revaluation Reserve	FVOCI Reserve	General Reserve		
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Balance as at 1st January 2022	47,622,493	5,075,000	3,159,910	1,618,637	52,468,905	8,806,714	118,751,659
Adjustment for Surcharge Tax levied under the Surcharge Tax Act No. 14 of 2022 (Note 8)	-	-	-	-	-	(2,670,566)	(2,670,566)
Adjusted balance as at 1st January 2022	47,622,493	5,075,000	3,159,910	1,618,637	52,468,905	6,136,148	116,081,093
Total comprehensive income for the period	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	7,200,393	7,200,393	7,200,393
Other comprehensive income	-	-	-	974,077	-	-	974,077
Total comprehensive income for the period	-	-	-	974,077	-	-	974,077
Transactions with equity holders, recognised directly in equity, contributions by and distributions to equity holders	-	-	-	-	-	-	-
Final dividend for 2021: cash	-	-	-	-	-	(4,863,589)	(4,863,589)
Unclaimed dividend adjustments	-	-	-	-	21,078	-	21,078
Total contributions by and distributions to equity holders	-	-	-	-	21,078	(4,863,589)	(4,842,511)
Balance as at 30th September 2022	47,622,493	5,075,000	3,159,910	2,592,714	52,489,983	8,472,952	119,413,052

Group	For the nine months ended 30th September 2021								
	Stated Capital	Statutory Reserve Fund	Other Reserves			Retained Earnings	Total Equity Attributable to Equity Holders of the Bank	Non Controlling Interest	Total Equity
			Revaluation Reserve	FVOCI Reserve	General Reserve				
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Balance as at 1st January 2021	47,622,493	4,635,000	5,962,392	1,838,203	46,455,786	7,900,780	114,414,654	-	114,414,654
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	9,798,237	9,798,237	9,798,237	-	9,798,237
Other comprehensive income	-	-	331,244	875,347	(209,248)	997,343	-	-	997,343
Total comprehensive income for the period	-	-	331,244	875,347	(209,248)	997,343	-	-	997,343
Transactions with equity holders, recognised directly in equity, contributions by and distributions to equity holders	-	-	-	-	-	-	-	-	-
Final dividend for 2020: cash	-	-	-	-	-	-	(3,147,028)	-	(3,147,028)
Unclaimed dividend adjustments	-	-	-	-	13,392	-	13,392	-	13,392
Total contributions by and distributions to equity holders	-	-	-	-	13,392	(3,147,028)	(3,133,636)	-	(3,133,636)
Net gain on derecognition of equity instruments at fair value through other comprehensive income	-	-	-	(7,098)	-	7,098	-	-	-
Balance as at 30th September 2021	47,622,493	4,635,000	6,293,636	2,706,452	46,469,178	14,349,839	122,076,598	-	122,076,598

SAMPATH BANK PLC (ORDINARY SHARES) TOP 20 SHAREHOLDERS AS AT 30TH SEPTEMBER 2022			
No	Name of the Shareholder	No. of shares	% holding
1	Vallibel One PLC	171,117,084	14.95
2	Ayenka Holdings (Pvt) Limited	114,123,916	9.97
3	Employees' Provident Fund	114,123,780	9.97
4	Mr Y S H I Silva*	93,799,287	8.20
5	Rosewood (Pvt) Limited - Account No. 1	51,595,893	4.51
6	Senthilvel Holdings (Pvt) Ltd	49,620,577	4.34
7	Phantom Investments (Private) Limited	32,481,106	2.84
8	Akbar Brothers Pvt Ltd A/C No. 1	27,352,530	2.39
9	Phoenix Ventures Private Limited	24,909,975	2.18
10	Employees' Trust Fund Board	22,425,477	1.96
11	Dr T Senthilvel	11,982,634	1.04
12	Sampath Bank PLC Account No. 4 (Sampath Bank Pension Fund)	11,546,646	1.01
13	Citi Bank New York S/A Norges Bank Account 2	11,464,912	1.00
14	Mrs P D A S Beruwala	10,837,215	0.95
15	Pemberton Asian Opportunities Fund	10,250,000	0.90
16	BBH - Tundra Sustainable Frontier Fund	9,600,000	0.84
17	Magna Wealth (Pvt) Ltd	6,764,967	0.59
18	SSBT-AL Mehwar Commercial Investments L.L.C.	6,710,925	0.59
19	National Development Bank PLC/Shanker Varadananda Somsundaram	5,900,000	0.51
20	Mellon Bank N A - UPS Group Trust	4,655,274	0.41
	Shares held by Directors	791,262,198	69.15
	Balance held by other shareholders	2,000,117	0.17
		351,111,640	30.68
	Total	1,144,373,955	100.00

*Mr Rushanka Silva, the Managing Director of Indra Traders (Pvt) Ltd, was appointed as a Non Executive, Non Independent Director of the Bank with effect from 01st September 2017. Accordingly the shareholding of Mr Y S H I Silva, who is the main shareholder of Indra Traders (Pvt) Ltd, has been excluded from the public shareholding of the Bank.

As at	30th September 2022
Number of public shareholders	31,205
Percentage of public holding	90.62%
Float adjusted market capitalization	Rs 43 Bn

The Bank complies with the minimum public holding requirement under option 1 of listing rules section 7.13.1 (a).

DIRECTORS' HOLDING IN SHARES OF SAMPATH BANK PLC			
No.	Director's Name	No. of shares held	
		As at 30.09.2022	As at 31.12.2021
1	Mr Harsha Amarasekera	-	-
2	Mr Rushanka Silva	-	-
3	Mr D K de Silva Wijeyeratne	-	-
4	Ms A Nanayakkara	-	-
5	Dr J T V S Weerawarana	-	-
6	Mr Vajira Kulatilaka	-	-
7	Ms R K Jayawardena	-	-
8	Mr Vinod Hirdaramani	281,129	281,129
9	Mr Hiran Cabraal (appointed w.e.f. 30th June 2022)	-	Not applicable
10	Mr M N R Fernando (Managing Director)	1,718,988	1,718,988
11	Mr D A de Vas Gunasekara (Chief Financial Officer)	-	-

Fitch Rating : AA-(lka)
Outlook : RWN

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STATEMENT OF CASH FLOWS

Bank	2022		2021	
	Rs 000	Rs 000	Rs 000	Rs 000
Cash flows from operating activities				
Interest receipts	93,089,647	57,045,080	98,498,495	61,772,943
Interest payments	(51,479,021)	(34,625,406)	(54,326,580)	(36,876,949)
Net commission receipts	13,295,818	7,814,854	13,894,876	8,520,045
Cash payments to employees	(9,057,127)	(7,436,737)	(10,056,779)	(8,399,523)
Taxes on financial services	(2,860,752)	(4,103,611)	(3,251,244)	(4,392,259)
Receipts from other operating activities	756,612	365,218	1,545,875	1,222,638
Cash payments to other operating activities	(9,137,769)	(5,583,093)	(10,036,595)	(5,143,849)
Operating profit before changes in operating assets & liabilities	34,607,408	13,476,305	36,268,048	16,703,046
(Increase)/decrease in operating assets				
Balances with Central Bank of Sri Lanka	(235,661)	(19,437,947)	(235,661)	(19,437,947)
Financial assets at amortised cost - loans & advances	(48,934,120)	(34,638,581)	(47,293,371)	(36,466,378)
Other assets	(8,090,415)	(5,865,359)	(8,396,804)	(6,499,109)
	(57,260,196)	(59,941,887)	(55,925,836)	(62,403,434)
Increase/(decrease) in operating liabilities				
Due to banks	(14,115,004)	(9,023,681)	(16,097,612)	(9,282,586)
Re-purchase agreements	29,921,424	2,070,167	28,570,498	2,914,167
Financial liabilities at amortised cost - due to depositors	(22,588,676)	62,300,859	(21,487,516)	62,326,280
Financial liabilities at amortised cost - due to other borrowers	(4,724,864)	(474,665)	(4,724,864)	(474,665)
Other liabilities	6,047,599	494,074	5,977,734	486,681
	(5,459,521)	55,366,754	(7,761,760)	55,969,877
Net cash generated from operating activities before income tax & surcharge tax paid	(28,112,309)	8,901,172	(27,419,548)	10,269,489
Income tax & surcharge tax paid	(8,800,369)	(2,691,959)	(10,299,328)	(2,851,471)
Net cash (used in)/generated from operating activities	(36,912,678)	6,209,213	(37,718,876)	7,418,018
Cash flows from investing activities				
Purchase of property, plant & equipment	(407,627)	(335,444)	(1,492,757)	(1,193,008)
Proceeds from disposal of property, plant & equipment	1,905	1,253	3,747	37,589
Net cash flow from reverse repurchase agreements	2,750,000	2,944,449	4,674,911	1,991,264
Net cash flow from financial assets - FVPL	(2,317,258)	4,405,060	(2,317,258)	4,405,060
Net cash flow from debt instruments at amortised cost	55,643,588	36,931,151	52,832,213	36,965,298
Net cash flow from financial assets - FVOCI	10,314,523	(54,290,911)	10,314,523	(54,290,911)
Purchase of intangible assets	(217,312)	(84,924)	(229,342)	(92,224)
Dividend received from financial assets	158,238	174,845	158,238	174,845
Dividend received from subsidiaries	-	5,123	-	-
Net cash generated from/(used in) investing activities	65,926,057	(10,249,398)	63,944,275	(12,002,087)
Cash flows from financing activities				
Proceeds from the issue of debentures	-	6,000,000	-	7,500,000
Redemption of debentures	-	(6,000,000)	-	(7,078,010)
Proceeds from securitisation	-	-	2,134,705	(447,110)
Dividend paid	(4,863,589)	(3,147,028)	(4,863,589)	(3,147,028)
Repayment of principal portion of lease liabilities	(873,250)	(1,270,498)	(490,297)	(670,448)
Net cash used in financing activities	(5,736,839)	(4,417,526)	(3,219,181)	(3,842,596)
Net cash generated/(used) during the period	23,276,540	(8,457,711)	23,006,218	(8,426,665)
Net foreign exchange difference	4,206,667	327,259	4,206,667	327,259
Cash & cash equivalents at the beginning of the year	25,155,288	31,944,412	25,299,191	32,108,832
Cash & cash equivalents at the end of the period	52,638,495	23,813,960	52,512,076	24,009,426

The comparative information of the Statement of Cash Flows has been reclassified to conform to the current period's presentation.

DEBENTURE INFORMATION

Debtures - 2017/2022	Highest (Rs)		Lowest (Rs)		Quarter End (Rs)	
	2022	2021	2022	2021	2022	2021
Fixed - 12.50%	N/T	N/T	N/T	N/T	N/T	N/T

Debtures - 2018/2023	Highest (Rs)		Lowest (Rs)		Quarter End (Rs)	
	2022	2021	2022	2021	2022	2021
Fixed - 12.50%	N/T	N/T	N/T	N/T	N/T	N/T

Debtures - 2019/2024	Highest (Rs)		Lowest (Rs)		Quarter End (Rs)	
	2022	2021	2022	2021	2022	2021
Fixed - 13.90%	N/T	N/T	N/T	N/T	N/T	N/T

Debtures - 2021/2028	Highest (Rs)		Lowest (Rs)		Quarter End (Rs)	
	2022	2021	2022	2021	2022	2021
Fixed - 9.00%	N/T	N/T	N/T	N/T	N/T	N/T

Debtures - 2017/2022	2022		2021	
	Coupon rate	Effective rate	Coupon rate	Effective rate
Fixed - 12.50%	12.50%	12.89%	12.50%	12.89%

Debtures - 2018/2023	2022		2021	
	Coupon rate	Effective rate	Coupon rate	Effective rate
Fixed - 12.50%	12.50%	12.89%	12.50%	12.89%

Debtures - 2019/2024	2022		2021	
	Coupon rate	Effective rate	Coupon rate	Effective rate
Fixed - 13.90%	13.90%	13.90%	13.90%	13.90%

Debtures - 2021/2028	202	
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Editorial

Earning a system change

View

Will IMF play Santa this Xmas for Sri Lanka

ACCORDING to Central Bank Governor Nandalal Weerasinghe, if Sri Lanka misses the December window, it plans to appear before the IMF Board in January 2023 and is optimistic that it would shortly receive assurance from bilateral creditors.

The optimism is unfounded as according to financial analysts located in Washington; Sri Lanka is most likely to miss the deadline for obtaining the International Monetary Fund (IMF) loan next month. This means the country will have to wait until March 2023 to obtain an IMF loan worth \$2.9 billion, to be paid in eight equal installments, when the December IMF deadline ends.

An enormous macroeconomic catastrophe is currently affecting Sri Lanka. Unsustainable national debt levels are the result of years of fiscal irresponsibility and hazardous commercial borrowing. The banking system's official reserves and net foreign assets have been exhausted as a result of the nation's continuous debt servicing and import facilitation without access to international financial markets. China, one of the nation's largest bilateral creditors, has shown little to no interest in renegotiating its debt, even as the likelihood of default increases.

In order to create an ad hoc creditor platform and provide financial guarantees before December 2022, Sri Lanka has been negotiating with bilateral creditors and groups like the Paris Club, urging India and China to join.

For the IMF Board to approve Sri Lanka, a number of prerequisite tasks must also be finished. Before experiencing the first drawdown, a Government often needs to stop money printing, resolve exchange policy disputes and crush internal investments in order to stabilise the external sector. Sri Lanka has already announced a budget for 2023 and boosted taxes and energy costs and is well on its way to meet the tight primary surplus targets set.

Despite rumours that the IMF will take a break from extensive operations in December for Christmas and New Year's, they will continue working at least three days a week because they have a lot on their plate. Due to its soft peg, Sri Lanka has sought assistance from the IMF 16 times, but has avoided default since it lacks access to the markets for large-scale international debt borrowing. As the World Bank report claims, restrictions on foreign exchange liquidity have resulted in shortages of gasoline, food, medication, cooking gas and other inputs required for economic activity.

In April 2022, Sri Lanka announced the suspension of external debt service due to low reserves and named financial and legal consultants to assist with debt restructuring. Real incomes, food security and living standards have all suffered as a result of the unprecedentedly high inflation. Before the COVID-19 epidemic, there were already warning indicators of the economy's deterioration. In the five years preceding the pandemic, growth and the fight against poverty had stalled. External imbalances had been exacerbated by a managed currency regime and are now paying the price years later.

In addition to these pre-existing fiscal imbalances, the 2019 tax cuts accelerated debt growth to unaffordable levels. In 2020, Sri Lanka lost access to the international financial markets as a result of credit rating downgrades. Sri Lanka requested assistance from the IMF as the crisis grew worse. In September 2022, the IMF and the Government came to a Staff-Level Agreement on a 48-month Extended Fund Facility program worth around \$2.9 billion.

Before the IMF may offer financial assistance, governmental creditors must finance guarantees to restore debt sustainability and private creditors must make a good faith attempt to work with the Government to find a solution.



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ALTHOUGH the Government has been able to deal with and recover from the economic collapse that occurred with the bankruptcy of Sri Lanka to some extent, the goal of overcoming the situation fully still remains a difficult task that will invariably cause untold sufferings to the people. This crisis can be considered as the biggest crisis that Sri Lanka has faced since entering the modern era.

Considering all the crises that Sri Lanka has faced before, the present crisis is much bigger and more complex than all of them put together. If it was a crisis restricted only to the balance of payments without involving the socio-political system, the pain it has inflicted upon the people and the country would not have been so great. If it was the case, it would have been easier to overcome the crisis. However, the crisis facing Sri Lanka is not limited to the balance of payments crisis only; it can be considered as a crisis that has integrated the socio-political system as well. The crisis in the socio-political system is not an outcome of the balance of payments crisis; but the balance of payments crisis can be considered as an outcome of the socio-political crisis.

As the crisis facing Sri Lanka is not limited only to the balance of payments crisis and it involves the socio-political system as well, it must be overcome by a reform program aimed at overcoming all three crises simultaneously. A maximum level of national integration and consensus can be considered as an indispensable condition to implement such a reform program effectively. Almost every country that has effectively implemented massive reform programs leading to drastic changes in the system has done so by achieving a maximum level of national integration. Almost every country that has adopted a participatory constitution successfully has done so by creating a maximum level of national integration. However, Sri Lanka is still in a very backward position in this regard.

Lack of cooperation among political parties

The effort made by the President to create an atmosphere in which the different political parties working in cooperation was not successful. Possibly it may be due to some flaws in the approach of the President. Or it could be due to some weaknesses in the counter approach of the Leader of the Opposition. Perhaps it may be due to the drawbacks of both of them. Then, the President tried to persuade a certain section of the Opposition to join the Government, but it was not successful either.



President Ranil Wickremesinghe



SJB Leader Sajith Premadasa



JVP Leader Anura Kumara Dissanayake

It seems that some members of the Samagi Jana Balawegaya (SJB), the political alliance led by the Opposition leader are of the opinion that an all-party framework should be established to overcome this crisis, but they do not like to defect the party and join the Government. Without having a negotiated agreement, though it may be extremely difficult, with the leader of the Opposition, pursuing a policy aimed at persuading the members of the Opposition to join the Government which will result in weakening the Opposition will not prove to be a desirable approach.

Apparently the leader of the Opposition seems to think that all the necessary reforms should take place only after a government of his leadership comes to power. The leader of the JVP also seems to think the same way. Would it be possible for the country to survive without necessary reforms until the next general election? Should the programs that are being implemented to solve the balance of payments crisis be stopped until then? If they are not to be stopped, then, would it be possible for the opposition parties at least to refrain from inciting the people against the reforms which might exert a temporary pressure on the people? On the other hand, what is the guarantee that the opposition parties could give that they would be able to secure the power with a majority that would be adequate to bring about reforms including the adoption of a participatory constitution in the next election? What will happen to the country if no party will be able to secure enough power to form a government through a parliamentary election?

A golden opportunity

If the political parties and the people of Sri Lanka want to, the disastrous situation facing them at the moment could be turned into a golden opportunity to implement the reforms necessary for making a profound change in the system in the country which at present remains ugly, evil and corrupt. The Government is not in a situation where it could delay or reject reforms; on the contrary, it is in a situation where it cannot run the

country without reforms. Even the head of state admits that the doors for reforms need to be opened. The economy and the socio-political system of the country are also in a state where it cannot exist without a profound and positive change in the entire system.

International organisations such as the World Bank, the International Monetary Fund, and the European Union too, are of the view that the socio-political crises also should be solved at the same time in addition to solving the balance of payments crisis. It is the opposition parties, more than the ruling party that should take the initiative in launching a program that will bring about profound changes in the system. Opposition parties interested in gaining power should desire to have a country in a good state, not a country that is in chaos and is not easy to govern. A reform program would not delay elections. On the contrary, such a program would replace the existing corrupt electoral system with an uncorrupt electoral system. Also, if there is such a reform program, the opposition parties will get the opportunity to intervene practically to control and rectify the mistakes that are being committed now.

The wrong policy being implemented in relation to the President who left office and ran away is one example that can be cited in this regard. A government employee, who has left service halfway through, does not get the same rights as one who retires from service. The same principle should apply to Presidents as well. It is not wrong to provide security to Gotabaya Rajapaksa as a former President; but it is not justifiable to grant the same facilities and privileges entitled to a president who retires upon completion of the term of service, to Gotabaya who has abandoned the office and run away. This can set a wrong precedent for future presidents.

Unfortunately, no party or Member of Parliament has taken this issue for debate; nor has it received the attention of public interest litigation lawyers either. The Head of State should be prepared to rule the country despite terrible unforeseen threats they are compelled to face in some instances. During the second rebellion of JVP, the rebels threatened that they would kill JR, and he miraculously saved his life when an assailant hurled two grenades into a room where the members of the ruling party were having a meeting on August, 1987.

Guest Column



By Victor Ivan

DURING the time of Gotabaya Rajapaksa's regime, the president decided to change the fertiliser policy from inorganic to organic overnight. As per my experience as a former planter, this was not the best decision to be made. The Tea Research Institute (TRI) has published a replacement ratio of nitrogen in a slab according to the yield per hectare which should be around 10-12% for 100 kilos of made tea. But the contribution of the organic fertiliser is nearly 1% or 2% which means to replace the above nitrogen levels, a considerable amount of organic manure per hectare is required which is not possible by withdrawing the nitrogen replacement. The yielding tea has dropped tremendously as a result. However, with the

present price increases we would have earned a profit in tea by double. For a country that primarily depends on agricultural production, we have evidently collapsed when the income of the tea industry is below the expectation. Amongst the exported crops tea ranked at the top even in 2019 as per the report published by the Central Bank - 'Economic and Social Statistics of Sri Lanka, 2020', whilst other crops such as rubber, coconut were declining in production. Thus, in order to retain the export market, it is key to revitalise the tea industry by providing necessary quotas of inorganic fertiliser. Even though the former president apologised to the nation for his decision of changing the fertiliser system to organic as he withdrew office, it was too late to reverse the deci-



sion since the economy had hit rock bottom by the time. In order to overhaul this policy decision the Government has recommenced importing inorganic fertiliser. However, these imports are not close to even 10% of our requirement. Most of the estates have not received adequate quota of ferti-

The news reports have also highlighted that currently EPFs, ETFs are not paid in the tea industry which is a violation of the labour laws. Some estates harvest tea on a kilos basis to avoid the labour wages of Rs. 1,000 a day. Thus, causing labourers severe hardships, particularly during a crisis of this nature. The vicious cycle of labour exploitation continues as the industry has seen major changes due to the fertiliser policy. Hence, the tea industry requires special attention if it is to retain its status quo as the leading export crop in Sri Lanka to contribute to the economy and achieve better social protection systems for the workers in the estate sector.

Kapila Kalansooriya Former planter, Badulla

Letters to the Editor email: editor@ft.lk

LKR debt restructuring options for Sri Lanka

IT IS not an understatement to say that there is much speculation today over domestic debt restructuring after a Bloomberg report suggested that "Sri Lanka USD debt holders will be likely to bear higher restructuring costs than domestic lenders". The report further said, "They may think they are getting short changed. But that is not necessarily the case. The reason - rupee lenders will suffer an additional implicit inflationary haircut. Bloomberg is right to say that a fair debt restructuring will consider the inflationary impact borne by the rupee lenders."

The report goes on to say, "Our calculations suggest parity between domestic and external lenders amounts to a 17% explicit haircut for domestic creditors and a 40% haircut for external lenders to bring the debt to a sustainable level."

Sri Lanka has said many times that the country will ensure equity among its creditors. Very soon due to unnecessary speculation people/funds will not invest in bills with a tenure of over three months. Sources say the Government has yet not taken a decision on domestic debt structure. Ironically, market speculation has made it difficult for the Government to raise funds domestically with repayment terms beyond three months, while pushing yields to over 30%.



President Ranil Wickremesinghe discussed debt management with IMF Managing Director Kristalina Georgieva, at the COP27 climate summit recently

to achieved with the least impact on the most vulnerable of GSec holders for the time being.

Principle to follow

The starting point for this assessment of vulnerability is the primary investment intention of returns to key vulnerable stakeholders like retirees in pension funds. The chances are that this may not suffice, at least in the first few years, necessitating a marginal haircut to those as well. The CBSL holds 2.44tr (Circa 20%) of Tbills and Bonds. The Government needs to consider the impact (Cashflow and notional Government Debt Stock) of subjecting these to a haircut, compared to the structure proposed on this table. Especially the haircuts to coupon values and face values of GSec in the CBSL debt stock.

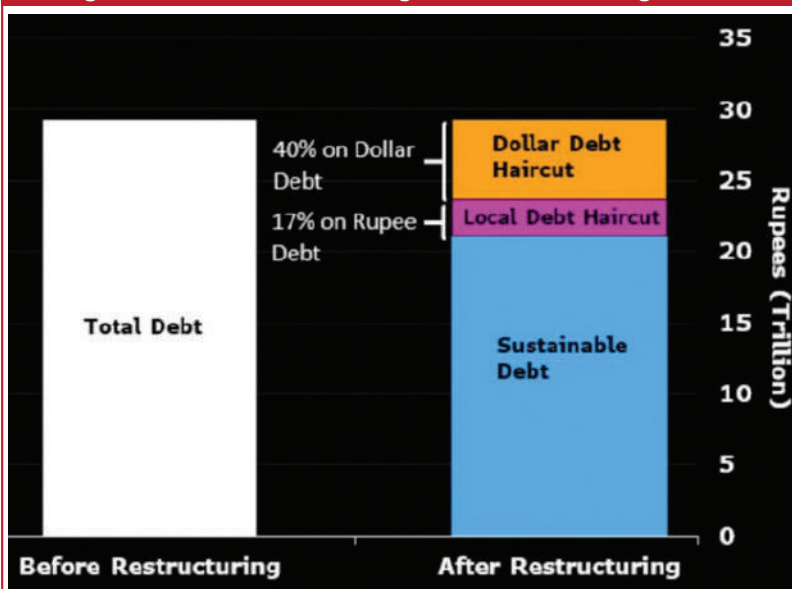
Writing off the CBSL holding would need to come with some sort of backstop/guarantee of the CBSL by the multilaterals - possibly the World Bank to ensure the Central Bank and the dependent banking sector does not go into a crisis. The World Bank would have to come up with such a backstop to the CBSL as purely Central Bank (not GOSL) support until the GOSL can augment the CBSL capital by at least 2025 - the year of the planned primary surplus. All of this points to a professionally resourced Independent Debt Office (IDO) managing GSecs in the future.

This IDO would be appointed and be responsible to Parliament and be under the oversight of an appropriate Parliamentary Committee, leaving little room for GOSL requirements to be leveraged to the detriment of the debt service outflows of the Treasury and to the national debt perimeter. Capital gains in the market would have to take a back seat in the current circumstances, at least until the projected debt perimeter and debt service metrics are achieved and sustained.

Arbitrage

All primary dealers and banks are currently using the CBSL window at 15.5% to raise funds to buy GSecs with manifestly substantial arbitrage, whilst the GOSL debt service costs remain elevated and the money printed to sustain the CBSL window earning the CBSL at 15.5%. The banks are not using their FDs and Primary Dealers are not bor-

Foreign Investors to Bear Higher Restructuring Burden



Source: Bloomberg Economics Total Debt before restructuring includes implicit inflationary haircut on rupee lenders

rowing at AWPR from the banks, because both rates are well above the CBSL overnight window rate.

T-Bond auction bids which are rejected are then, in a secondary offer, offered to the failed primary

bidders at the WAY of the successful bids, thus ensuring the full offer amount is taken. Tbill auctions do not have this secondary offer mechanism. If the next 2-3 Tbill auctions are offered and accepted at progres-

sively lower yields (and the higher bids rejected) and TBonds offered in lieu, the currently inverted yield curve may well normalise from its current inversion. The signals to the markets may well have a knock-on effect of lowering the T-Bond yields at future auctions.

Broader capital haircut options

■ Across the board capital haircut on GSecs issued after 18-04-22 for holders-under 6 months

■ Across the board capital haircut on all GSecs in debt stock for the holders-for-time-being under 8 months.

Way forward

Sovereign debt restructure is a very complex route and one that requires careful management, especially given that Sri Lanka has limited experience. Certainly the starting point is clearly to target the projected Debt Perimeter in the proposed overall debt sustainability plan and work within that framework. This is an option worth considering when putting a robust framework together to address the haircuts. But certainly there are other options that have been proposed. However, to develop a structure, we require skilled professionals who have had hands-on experience, firstly to give a clear brief to the consultants negotiating on behalf of the Government and secondly to give confidence to the creditors (especially private) in their engagements that we mean business.

References:

<https://youtu.be/jrN6HriTOUY>
<https://www.ft.lk/columns/Dollar-debt-restructuring-is-key-to-any-recovery/4-741640>

Impact of haircuts

The EPF, ETF and insurance companies hold most of the bonds and will end up taking the biggest hit - private sector workers who have all along been the most productive, will be the ones taking the full hit. They have already expressed concern. They may resist publicly through their unions resulting in litigation and or call for an equal reduction in the pensions for the public sector employees. Therefore being selective in minimising the impact on the vulnerable segments of the Government Securities (GSec) holders, i.e. EPF, ETF and insurance funds who have been primary investors at the GSec auctions in the past are vital, to ensure that we don't kill this captive group going forward.

Guest Column



By Dinesh Weerakkody

haircut on the coupon rate or the face value. Total LKR debt is 12.34 trillion of which are bills of 3.78 trillion and bonds of 8.56 trillion. We need to assess what the respective holdings are and the NPV impact against these Categories and Sub categories based on the suggested action. This must be quantified by the Public Debt Department of the CBSL. The data has to be extracted from credible sources (CBSL Public Debt department) and independently verified by the National Audit Office.

The initial view is that these actions won't result in any substantial reduction in the outstanding debt levels and or cash flows. The IMF is ultimately looking at the debt perimeter and how we reduce it to a level that is considered sustainable. Similar to what the IMF put on the table for absolute annual revenue targets until 2025, we need to get (from IMF) the absolute annual year-end Debt Perimeters until 2025. This would be a more complex calculation as it would have to take into account new borrowings (international and domestic), capital repayments if any within that period and similar to the annual absolute revenue targets set, the absolute Debt Perimeter targets would have

Options

Firstly, long-term investors who have invested for returns and not for capital gains. The haircut for that group could be minimised. However banks, FIs and others, whose GSec holdings are held with the intention of trading for capital gains or acquired in the secondary market, must be prepared to take a

Will Sri Lanka let its worst ever crisis go to waste?

"Never let a good crisis go to waste" - Winston Churchill

WHILE the world is facing a soaring inflation and at the brink of global food crisis, what Sri Lanka faces is more than an economic crisis - a Balance of Payment crisis where our forex reserves have dried up, a debt crisis where largest portion of foreign debt is held by commercial institutions rather than concessionary lending from World Bank or Asian Development Bank, a financial system crisis where high government lending exposure by the Sri Lankan financial system, a political crisis where public outcry over corrupt governing systems and structures and a humanitarian crisis directly impacting food security, health and education.

Guest Column



By Udayani Shanmugavelu

the inclusive growth we as a nation have failed to achieve after 74 years from independence and 13 years after the end of the civil war, resulting in persistent regional inequality.

Though the previous regime and its policy failures are blamed for the pace at which the crisis has hit us, the cause roots back to subsequent governments since independence. Sri Lanka has recorded a primary surplus (the excess of government revenues over non-interest spending) only 4 times in 74 years since independence. We have continuously lived beyond our means as a nation. Development projects were largely non-revenue generating or non-dollar revenue generating and were financed by short-term borrowing at higher interest rates.

Until consensus with creditors on debt restructuring is reached and IMF bailout is received which will eventually pave the way to open-up more credit lines for Sri Lanka such as from the World Bank and Asian Development Bank (ADB), securing bridge finance is pivotal. When new lines of credit open-up, accountabil-

ity measures to ensure transparency and to have checks and balances and austerity by means of tax reforms and expenditure management will be required. Environmental conservation arrangements like debt-for-nature swaps which Sri Lanka is currently exploring with the assistance of United Nations Development Programme (UNDP) and other agencies would result in win-win solutions towards the way of debt relief.

While Sri Lanka has been on IMF bailout 16 times since 1965, we have continuously sought re-financing as a way out resulting in this vicious cycle of debt which has brought the island nation to default for the first time in its history. Sri Lanka has not serviced its debt since April 2022 and experts say it's inevitable for the queues to return and the crisis will be hard felt again when Sri Lanka starts servicing its debt. While Sri Lanka is hit by its worst-ever crisis in its history, it is also a golden opportunity for key reforms which will lead to sustainable recovery and inclusive economic development.

Vietnam, which is considered to be one of the stars among emerging economies with exports worth almost equal to its total GDP and economic growth of 6-7% which rivals China - ended its 20-year war in 1975. The success of this Southeast Asian nation which steered it to become socialist-oriented market economy is attributable to the series of eco-



While Sri Lanka is hit by its worst-ever crisis in its history, it is also a golden opportunity for key reforms which will lead to sustainable recovery and inclusive economic development - Pic by Shehan Gunasekara

nomic and social reforms introduced in 1986. Vietnam's economic rise is explained by three main factors: trade liberalisation, domestic reforms through deregulations and lowering cost of doing business, and heavy investment in human and physical capital largely through public investments.

Vietnam has 26 free trade agreements in place covering most of the major economies in the world such as with ASEAN, World Trade Organization, with the US, Trans-Pacific Partnership etc. leading to lower tariffs on both imports and exports. China and the US remain Vietnam's most important partners in terms of economics, politics and security - Vietnam's balanced strategy to manage world's major political rivals as well as superpowers is a key learning Sri Lanka should seek to master. Reforms were mainly centred on consistency and stability seeking a more pro-investor approach while aiming to reduce administrative bureaucracy and to facilitate foreign direct investments (FDI).

labour, geographic proximity to China and political stability. Vietnam is becoming increasingly important in the semiconductor supply chain which is considered to involve more complex production with investments from Intel, Samsung and Synopsys capitalising on the supply chain constraints caused by China.

Sri Lanka to emerge globally competitive, export diversification and privatisation of State-Owned Enterprises with commercial interests to trigger competition is essential. While more value-adding ways to boost traditional exports need to be devised, Sri Lanka should prepare for the fourth industrial revolution by leveraging its talent and tackling the mass brain drain. While Sri Lanka expects to activate its several inactive trade agreements such as with Singapore which will gain access to ASEAN which is one of the largest and most important free trade areas in the world, tariff rates which remain one of the highest in the region require to be relaxed to lead the way towards openness from protectionism.

Sri Lanka's tax revenue-to-GDP ratio which was down to 12% in 2019 from nearly 20% in 1990, dropped to 8% in 2021 - one of the lowest in the world. Direct taxes contribute to less than 2% of GDP and only 1% of the population comes under the income tax base. Current crisis provides an opportunity to carry out reforms which could not have been attempted before amidst the populist policies in place - which could be a silver lining of Sri Lanka's worst crisis in history.

(The writer is a finance professional with interests in finance, business, and current affairs, and can be contacted at udayani.shanmugavelu@gmail.com.)



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EXCHANGE RATES

24/11/2022

(1) The average rates of the following currencies quoted by commercial banks in Colombo for Telegraphic Transfers (TT) at 9.30 a.m. are as follow.

CURRENCY	BUYING RATE	SELLING RATE
Australian Dollar	241.8465	253.1914
Canadian Dollar	268.4988	280.8282
Chinese Yuan (Renminbi)	49.6339	52.6680
Euro	374.1178	389.6419
Japanese Yen	2.5817	2.6901
Singapore Dollar	260.8350	271.8090
Sterling Pound	434.4316	451.1958
Swiss Franc	380.5072	398.9071
US Dollar	360.9919	371.8325

(2) The approximate exchange rates of GULF Currencies based on previous day's market weighted average rate for the US\$ are as follow.

Country	Currency	Indicative Rate
Bahrain	Bahrain Dinar	964.1270
Kuwait	Kuwait Dinar	1,180.7315
Oman	Oman Rial	944.1068
Qatar	Qatar Riyal	99.0976
Saudi Arabia	Saudi Arabian Riyal	96.7154
UAE	UAE Dirham	98.9627

(3) The Average Weighted Prime Lending Rate (AWPR) and the Lowest Prime Rate (LPR) during the week ended 18-Nov-2022, by all commercial banks was 28.61 percent and 17.00 percent respectively.

(4) The Average Weighted Deposit Rate (AWDR) of commercial banks for the month of Oct-2022 was 12.60 percent.

MARKET INDICATORS

23/11/2022

PRICE INDICES	TODAY	PREVIOUS DAY
CSE ALL SHARE INDEX	8,173.86	8,000.44
S&P SL 20 INDEX	2,513.57	2,454.96
TRI ON ALL SHARES	10,980.362	10,747.398
TRI ON S&P SL SHARES	4,529.33	4,423.71

EQUITIES	TODAY	PREVIOUS DAY
VALUE OF TURNOVER(Rs.)	1,453,884,501	1,506,228,429
DOMESTIC PURCHASE	1,428,822,038	1,331,349,531
DOMESTIC SALES	1,435,258,168	1,448,042,601
FOREIGN PURCHASE	25,062,463	174,878,898
FOREIGN SALES	18,626,333	58,185,828
VOLUME OF TURNOVER(NO.)	57,498,696	44,941,779
DOMESTIC	56,842,810	39,839,928
FOREIGN	655,886	5,101,851
TRADES (NO.)	18,396	16,383
DOMESTIC	18,162	15,999
FOREIGN	234	384
LISTED COMPANIES (NO.)	292	292
TRADED COMPANIES (NO.)	252	251
MARKET PRICE EARNINGS RATIO(PER)	4.7469	4.6623
MARKET PRICE TO BOOK VALUE (PBV)	.8628	.8474
MARKET DIVIDEND YIELD (DY)	4.3	4.4
MARKET CAPITALIZATION (Rs.)	3,615,912,346.958	3,551,501,780.968

MBSL MIDCAP INDEX

INDEX OF MEDIUM-SIZE COMPANIES LISTED IN THE CSE

DAY	DATE	MBSL MIDCAP
Tuesday	24-Nov-22	13,512.68
wednesday	23-Nov-22	13,771.85
Change (points)		259.18
Change (%)		-1.92%

TOP 5 GAINERS

24/11/2022

Company	VWA Prev. Close	VWA Days Close	Change (Rs.)	Change %
INDUSTRIAL ASPH	0.30	0.40	0.10	33.33
JETWING SYMPHONY	13.40	15.50	2.10	15.67
UNITED MOTORS	53.90	60.60	6.70	12.43
ORIENT FINANCE	6.60	7.30	0.70	10.61
MULLERS	1.00	1.10	0.10	10.00

TOP 5 LOSERS

24/11/2022

Company	VWA Prev. Close	VWA Days Close	Change (Rs.)	Change %
S M B LEASING [X]	0.30	0.20	(0.10)	(33.33)
HNB FINANCE [X]	5.20	4.20	(1.00)	(19.23)
TEA SMALLHOLDER	59.60	50.50	(9.10)	(15.27)
MADULSIMA	11.60	10.00	(1.60)	(13.79)
KANDY HOTELS	8.00	7.20	(0.80)	(10.00)

LIBOR LENDING RATES

23/11/2022

	1 MONTH	3 MONTH	6 MONTH	12 MONTH
US DOLLARS	3.979	4.69186	5.17157	5.56586
STERLING	3.0796	3.5862	4.1612	

Overnight Money Market Transactions

23/11/2022

	Call Money Market	Repo Market
Weighted Average Rate (%)	-	-
Minimum Rate (%)	-	-
Maximum Rate (%)	-	-
Total Gross amount (Rs. million)	-	-
Total Net amount (Rs. million)	-	-
CBSL Use of Standing Facility		330,648
Standing Deposit Facility (Rs. million)		488,687
Standing Lending Facility (Rs. million)		
CBSL Treasury Bill Holdings*		2,559,605.29
Face Value (Rs. million)		2,421,170.60
Book Value (Rs. million)		

UNIT TRUST PRICES

21/11/2022

Fund Name	Unit Selling Price	Unit Buying Price
Arpico Ataraxia Cash Management Trust Fund	28.6902	28.6902
Arpico Ataraxia Equity Income Fund	4.9675	4.8563
Astrue Active Income Fund	118.2597	118.2597
Assetline Income Fund	20.0333	20.0333
Assetline Income Plus Growth Fund	14.4542	14.2466
Senfin Dividend Fund	8.2716	8.1017
Senfin Dynamic Income Fund	11.0258	11.0258
Senfin Growth Fund	9.48	9.17
Senfin Insurance Sector Fund	8.88	8.74
Senfin Money Market Fund	18.3436	18.3436
Senfin Shariah Balanced Fund	11.02	10.72
Senfin Shariah Income Fund	13.7713	13.7713
Ceybank Century Growth	76.08	72.72
Ceybank Gilt Edge Fund (A Series)	15.7679	15.7679
Ceybank High Yield Fund	16.3537	16.3537
Ceybank Surakum Fund	14.3964	14.3964
Ceybank Unit Trust	30.71	28.82
Ceylon Dollar Bond Fund (in \$)	4.0866	4.0866
Ceylon Financial Sector Fund	4.87	4.67
Ceylon Income Fund	23.922	23.922
CEYLON Index Fund	55.63	53.34
Ceylon IPO Fund	5.35	5.21
Ceylon Money Market Fund	20.0463	20.0463
Ceylon Tourism Fund	4.61	4.43
Ceylon Treasury Income Fund	3.9762	3.9762
Comtrust Equity Fund	23.933	22.9983
Comtrust Gilt Edged Fund	12.1743	12.1743
Comtrust Money Market Fund	13.0006	13.0006
First Capital Equity Fund (FCF)	1.454.73	1.381.99
First Capital Money Income Fund	1.952.26	1.952.21
First Capital Gilt Edged Fund	1.787.18	1.787.18
First Capital Money Market Fund	2.258.89	2.258.89
Guardian Acuity Equity Fund	18.2152	17.9538
Guardian Acuity Income Fund	11.2698	11.2698
Guardian Acuity Money Market Fund	23.6881	23.6881
JB Vantage Money Market Fund	33.4565	33.4565
JB Vantage Short Term Gilt Fund	18.193	18.193
JB Vantage Value Equity Fund	26.538	24.9866
NAMAL Growth Fund	142.2307	133.967
NAMAL High Yield Fund	29.8656	29.8656
NAMAL Income Fund	13.3754	13.3754
National Equity Fund	32.7409	30.807
NDB Wealth Gilt Edged Fund	17.6134	17.6134
NDB Wealth Growth & Income Fund	39.13	38.11
NDB Wealth Growth Fund	8.28	7.96
NDB Wealth Income Fund	17.9899	17.9899
NDB Wealth Income Plus Fund	20.9002	20.9002
NDB Wealth Islamic Money Plus Fund	19.0231	19.0231
NDB Wealth Money Fund	24.8228	24.8228
NDB Wealth Money Plus Fund	27.5513	27.5513
Softlogic Equity Fund	137.0931	143.3188
Softlogic Money Market Fund	120.9226	120.9226
Unit Holders can contact relevant Fund Managers to obtain Unit Prices for redemptions within short duration from the date of investment where exit fee is applicable.		

CSE PRICE LIST

Security	Volume	V.W.A Previous Close	Open	High	Low	V.W.A Today's Close	Change (Rs.)	Security	Volume	V.W.A Previous Close	Open	High	Low	V.W.A Today's Close	Change (Rs.)	
A.SPEN.HOT.HOLD.	2,261	54.5	55	55	54.1	54.10	(0.40)	SIERRA CABL	34,715	9.7	9.2	9.9	9.2	9.60	(0.10)	
ABANS	50	140.5	149	149	140	140.50	-	SUNSHINE HOLDING	639,309	33.5	33.7	34	32.5	33.00	(0.50)	
ACCESS ENG SL	96,328	9.7	9.9	9.9	9.5	9.70	-	SWISSTEK	52,846	15.5	16.7	16.7	15	15.50	-	
ACL	695,823	73.6	74	74	69.5	70.10	(3.50)	TALAWAKELLE	26,824	90	89.9	89.9	84.5	84.80	(5.20)	
ACL PLASTICS	41	418.5	425	425	426.5	420	418.50	-	TEA SMALLHOLDER	72,021	59.6	54	54.9	50	50.50	(9.10)
ACME	199,887	5.2	5.5	5.6	5.3	5.60	0.40	TEEJAY LANKA	128,344	32	32	32	31.8	31.90	(0.10)	
AGALAWATTE	35,613	31.6	30.7	31.2	29.5	29.80	(1.80)	THREE ACRE FARMS	2,835	126	128.75	128.75	121.25	121.75	(4.25)	
AITKEN SPENCE	22,724	131.5	132.5	133	126	131.00	(0.50)	TOKYO CEMENT	4,041	33	33	33	32.3	32.30	(0.70)	
ALLIANCE	5,713	57	57	57	54.6	55.90	(1.10)	TOKYO CEMENT [TKYO.X0000]	62,727	26.3	26	26.7	24.1	25.00	(1.30)	
AMANA BANK	81,525	2.8	2.8	3	2.8	2.90	0.10	UNION BANK	34,608	7	7	7.2	6.8	6.90	(0.10)	
ASIA ASSET	1	7	6.7	6.7	6.7	7.00	-	UNION CHEMICALS	17	614	595	595	595	614.00	-	
ASIA CAPITAL	25,040	4.2	4	4.2	4	4.00	(0.20)	UNISYST	22,492	5.8	5.4	5.5	5	5.40	(0.40)	
ASIRI	5,622	26.5	26.1	26.5	26	26.50	-	UNITED MOTORS	127	53.9	60.6	60.6	59.9	60.60	6.70	
ASIRI SURG	1,261	12	12.1	12.5	12.1	12.50	0.50	VALLIBEL	2,339	6.4	6.5	6.5	6.4	6.50	0.10	
BAIRAHA FARMS	1,099	162.25	163.5	163.5	157.75	159.75	(2.50)	VALLIBEL FINANCE	8,807	22.5	21.8	22.9	21.3	22.10	(0.40)	
BALANGODA	7,903	85.4	83.1	84.5	80	80.20	(5.20)	WATAWALA	29,645	67.9	67.9	67.9	65.1	66.00	(1.90)	
BUKIT DARAH	4	285	290	290	290	285.00	-	WINDFORCE	109,602	15	15	15	14.5	14.50	(0.50)	
C M HOLDINGS	43	67.8	70	74.8	68	67.80	-	YORK ARCADE	25	129.75	129.75	129.75	129.75	129.75	-	
C T HOLDINGS	1,100	170	176.5	176.5	165	166.00	(4.00)	hSENID BIZ	7,875	16.8	16.6	17.2	16.5	16.50	(0.30)	
CARGILLS	7,492	210	214	214.25	210.5	212.00	2.00									
CARSONS	10	275.25	279	279	279	275.25	-	SECOND BOARD								
CDB [CDB.X0000]	1,446	55.9	55.9	55.9	54.5	54.80	(1.10)	ABANS FINANCIAL	1	21	23	23	23	21.00	-	
CENTRAL FINANCE	19,659	60.3	60.6	62.4	60.1	60.30	-	AMBEON CAPITAL	302,220	8	8	8.3	7.3	7.50	(0.50)	
CENTRAL IND.	29,918	61.4	61	61	55.1	57.10	(4.30)	BROWNS BEACH	650	13.1	13	13.4	12.6	12.70	(0.40)	
CEYLINCO INS. [CINS.X0000]	1	950	951	951	951	950.00	-	DIALOG FINANCE	3,820	56	56.3	59.8	56	56.10	0.10	
CEYLON GUARDIAN	10	63.8	62	62	62	63.80	-	DISTILLERIES	49,409	13.2	13	13.3	12.9	12.90	(0.30)	
CEYLON INV.	1	29.5	29.4	29.4	29.4	29.50	-	EDEN HOTEL LANKA	20,492	17.4	17.3	17.8	16.9	16.90	(0.50)	
CEYLON TOBACCO	222	572.25														

Sports

Colombo Tea Traders and Up-Country Planters sports festival on 25-26 Nov.

THE annual Colombo Tea Traders Associations vs Up-Country Planters sports festival will take place on 25 and 26 at Dickoya Maskeliya Cricket Club (DMCC) in Darrowella.

DMCC Vice President Manjula Samarakone speaking to Daily FT said: "The organising committee is making all arrangements for this annual sports festival cum get-together at the DMCC. This is a much looked forward to event in its calendar. During these two days rugby, badminton, tennis, cricket, Billiards and snooker will take place."

On the first day which will start at 2 p.m. with badminton, Billiards and Snooker will take place at the Darrowella Club house.

On Day two, 20 over cricket match which will be played at 9.30 a.m. while the rugby match will take place same evening at 4 p.m.

The sports festival will end up with a social on the same evening.

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Mr. Chaaminda Mayakaduwa has no authority to act on behalf of, or otherwise represent or transact any business on behalf of PMF Finance PLC.

Our customers who were previously served by Mr. Chaaminda Mayakaduwa are requested to contact 0117333600.

We wish to inform the general public that the Company will not be responsible for any action taken or transactions entered by him/with him.

The Management
PMF Finance PLC

FROM TODAY



UNAUDITED FINANCIAL STATEMENTS AS PER DIRECTION REF. 08/24/002/005/01 ISSUED BY THE SUPERINTENDENT OF PUBLIC DEBT OF THE CENTRAL BANK OF SRI LANKA REQUIRING PRIMARY DEALERS TO PUBLISH FINANCIAL STATEMENTS SEMI-ANNUALLY

Statement of Profit or Loss and Other Comprehensive Income			
For the six months ended 30 September	2022		2021
	Rs. '000 (Unaudited)	Rs. '000 (Unaudited)	Rs. '000 (Audited)
Income	3,879,958	3,172,211	
Direct Income	3,879,778	262,663	
Direct Expenses	(2,680,131)	(496,260)	
Net Trading Income / (Expense)	1,199,647	(233,597)	
Other Income	180	54,548	
Gain/(Loss) on Fair Valuation of Financial Assets recognised through profit or loss measured at fair value	342,444	(217,959)	
	1,542,271	(397,008)	
Operating Expenses			
Administrative Expenses	(84,564)	(71,142)	
Sales and Distribution Expenses	(2,726)	(57)	
Other Operating Expenses	(147,232)	(10,388)	
	(234,522)	(81,587)	
Profit/ (Loss) before Taxation	1,307,749	(478,595)	
Income Tax (Expense)/ Reversal	(203,742)	64,762	
Profit/ (Loss) for the period	1,104,007	(413,833)	
Other Comprehensive Income			
Items that will never be reclassified to Profit or Loss	-	-	
Items that are or may be reclassified to Profit or Loss	-	-	
Other Comprehensive Income			
Total Comprehensive Income/ (Loss) for the period	1,104,007	(413,833)	
Earnings/ (Loss) per Share (Rs.) (Note 1)	1.79	(0.67)	

Statement of Changes in Equity					
For the six months ended 30 September 2022					
	Stated Capital	Risk Reserve	Retained Earnings	Fair Valuation Reserve	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance as at 1 April 2021 (Audited)	256,500	1,386,793	2,876,930	(2,000)	4,517,223
Total Comprehensive Income/ (Loss) for the Period					
Loss for the period	-	-	(413,833)	-	(413,833)
Other Comprehensive Income	-	-	-	-	-
Total Comprehensive Loss			(413,833)		(413,833)
Transactions with Equity Holders					
Transfers to Risk Reserve	-	-	-	-	-
Balance as at 30 September 2021 (Unaudited)	256,500	1,386,793	2,463,097	(2,000)	4,104,390
Balance as at 1 April 2022 (Audited)	256,500	1,386,793	2,232,267	(2,000)	3,873,560
Impact of Surcharge Tax Liability	-	-	(370,114)	-	(370,114)
Adjusted balance as at 1 April 2022	256,500	1,386,793	1,862,153	(2,000)	3,503,446
Total Comprehensive Income for the Period					
Profit for the period	-	-	1,104,007	-	1,104,007
Other Comprehensive Income	-	-	-	-	-
Total Comprehensive Income			1,104,007		1,104,007
Transactions with Equity Holders					
Transfers to Risk Reserve	-	110,401	(110,401)	-	-
Balance as at 30 September 2022 (Unaudited)	256,500	1,497,194	2,855,759	(2,000)	4,607,453

Statement of Financial Position			
	30-Sep-22		31-Mar-22
	Rs. '000 (Unaudited)	Rs. '000 (Audited)	Rs. '000 (Audited)
ASSETS			
Cash at Banks and in Hand	25,335	348,585	
Derivative Financial Instruments	544,410	5,190	
Financial Assets			
- Recognised through profit or loss - measured at fair value	34,580,508	24,509,930	
- At amortised cost	10,307,609	3,109,800	
Amount due from Related Companies	327	2,060	
Deferred Tax Asset	1,865	94,318	
Other Assets	365,578	338,345	
Property, Plant and Equipment and Right of use Assets	5,677	7,782	
Intangible Assets	450	573	
Total Assets	45,831,759	28,416,583	
LIABILITIES			
Derivative Financial Instruments	236,140	2,622	
Securities sold under Re-purchase Agreements	39,168,277	23,397,838	
Short term borrowings	692,175	-	
Creditors and Other Payables	233,289	363,897	
Amount due to Related Companies	8,118	6,528	
Income Tax Payable	111,289	-	
Borrowing on Listed Debentures	761,811	760,577	
Retirement Benefit Obligation	13,207	11,561	
Total Liabilities	41,224,306	24,543,023	
EQUITY			
Stated Capital	256,500	256,500	
Risk Reserve	1,497,194	1,386,793	
Retained Earnings	2,855,759	2,232,267	
Fair Valuation Reserve	(2,000)	(2,000)	
Total Equity	4,607,453	3,873,560	
Total Equity and Liabilities	45,831,759	28,416,583	
Net Assets per Share (Rs.) (Note 1)	7.48	6.29	

These Financial Statements are prepared and presented in compliance with the requirements of the Companies Act No. 7 of 2007.

(Sgd.)
Mangala Jayashantha
Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Approved and signed for and on behalf of the Board,

(Sgd.)
Dilshan Wirasekara
Director/Chief Executive Officer

(Sgd.)
Dinesh Schaffter
Managing Director

14 November 2022
Colombo

Address : No. 02, Deal Place, Colombo 03, Sri Lanka. | Tel: +94-11-2639898, 2576878 | Fax: +94-11-2576866, 2639899 | Email: info@firstcapital.lk | Web: www.firstcapital.lk

Range of Products & Services: Primary Market - Authorised Agent for primary auctions of Government Securities conducted by the Central Bank of Sri Lanka, Secondary Market - Outright Purchase & Sale of Treasury Bills & Bonds, Repurchase Agreements (Repo) & Reverse Repurchase Agreements (Reverse Repos) collateralised by Government Securities.

Auditors: M/s. KPMG (Chartered Accountants)

Board of Directors: Mr. Nishan Fernando (Chairman), Mr. Dinesh Schaffter, Mr. Dilshan Wirasekara, Mr. Ramesh Schaffter, Ms. Minette Perera, Mr. Chandana de Silva, Dr. Nishan de Mel



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- Hall of Fame
Hall of fame includes an intellectual, innovative and futuristic display of work by a new generation of creatives.
- Human Library
Meet the new generation designers that contribute to the local creative landscape to talk, share ideas and pick their brains over a cup of coffee.
- Arti.Facts exhibition
A contemporary exhibition, displaying works of local artists, heritage crafts and artisans, and sustainable retail brands that define and contribute to the local creative landscape.
- The Boom.Room
As the name suggests, it is a space of sensory explosion with performances of dance, theatricals, sonics and more.
- Circular Leap Forum
AOD along with the Embassy of the Kingdom of the Netherlands to Sri Lanka host workshops and a panel discussion on circular design and sustainability.
- For.Mats
A series of talks, discussions and forums on various topics around the New Local identity and the local and global creative landscapes.
- Co.Lab
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Sports Minister calls for reports on exclusion of Karunaratne and SLC affairs

SPORTS Minister Roshan Ranasinghe has instructed Sports Director-General to submit a report to him on the exclusion of Sri Lanka cricketer Chamika Karunaratne from the Sri Lanka team for the upcoming ODI series against Afghanistan and on the number of SLC officials travelling to Australia for the T20 World Cup.

Sports Minister wants a report from the National Selection Committee on why Karunaratne was not selected when he was second in the rankings and has



also been Man of the Series in two previous series. He also questioned whether there was any

religious influence involved in Karunaratne's non-selection. Various MPs have also expressed

the same views. On Wednesday Sri Lanka Cricket said that the three-member panel inquiring into

the alleged violations by nationally contracted player Karunaratne has found him guilty of breaching several clauses in the Player Agreement during the recently concluded ICC T20 World Cup held in Australia.

Karunaratne pleaded guilty to all charges levelled against him.

SLC handed a one-year ban from taking part in all forms of cricket, and the said ban will be suspended for a period of one year. Further to the said suspended sentence a fine of \$ 5,000 was also imposed

against Karunaratne. The Minister has also inquired as to why SLC officials were given every facility including \$ 800 per day for their visit to Australia.

These points were raised when the Sports Minister met with members of his Ministerial Consultative Committee (MCC) in Parliament.

A proper committee to oversee the finances during the SLC conducted Lanka Premier League T20 and T10 tournaments was also called for.

We are confident of improved performance: Head Coach Nilfer

SRI Lanka Men's rugby team left for UAE last evening for the Al Ain, UAE for the third leg of the Asia Rugby Sevens which will take place on 26 and 27 November.

Before Sri Lanka, Head Coach of the National Men's outfit, Nilfer Ibrahim showed a lot of confidence in the side.

Speaking to Daily FT, Nilfer Ibrahim said: "We started soon after the Korean leg and each day we trained twice with a lot of hard work put in and we want to reduce our errors. We mainly concentrated on re-start and safe collection of the balls and I am very confident about the team. We want to end the tournament on a high note, we are targeting to play in the final. Our defence is also good, safe keeping of the ball and attack will be the priority."

Speaking further Nilfer said: "Side is well balanced with youth and experience and the Boys are eager to end on top and prove a point in Asian Rugby."

Sri Lanka Men's will be in Pool A alongside champions in both legs, Hong Kong while other two teams would be Malaysia and China at the Asia Rugby Sevens at the third leg in UAE.



Sri Lanka skipper Srinath Sooriyabandara



Head Coach Nilfer Ibrahim

Asian Rugby Sevens 3rd Leg

Shamseer Jaleel

Reporting from UAE



off but it was a tough day for the lads at office who were burnt out too much in the end losing out to Philippines to secure only the 4th place. To date Sri Lanka Men's best position being number three at the Asia Rugby Sevens history.

The side consists of 12 players and seven officials.

■ **Touring Squad:** Srinath Sooriyabandara, Kavindu Perera, Tharinda Ratwatte, Nigel Ratwatte, Mithun Hapugoda, Anjula Hettiarachchi, Adeesha Weeratunga, Akash Madushanka, Dhanushka Dabare, Dinupa Seneviratne, Chathura Seneviratne and Sudaraka Dikkumbura

■ **Head Coach:** Nilfer Ibrahim

■ **Manager:** Commodore P.A.S.K. Pitigala

■ **Masseur:** Sanka Dilshan

■ **Physio:** Shafin Majid

■ **Chairman Tournament Committee:** Retd. Group Capt Nalin de Silva

■ **Member Selection Committee:** Col Kapila knowlton

■ **NOC rep:** Gamini Jayasinghe

In the semi-final they did well in the initial half but lost out on their steam in the later half against the host, South Korea. This put them in place for the third position play

Sri Lanka who missed out on the first leg in Thailand displayed good skills to end on number four at the second leg which took place in South Korea two weeks ago. Sri Lanka beat UAE and China in the group stages but lost out to a physical Hong Kong outfit who were always being a major threat and blocking the path for Sri Lanka from moving forward to top the group stages.

Sri Lanka-Afghanistan ODI series kicks off today at Pallekele

■ **Battle of two leading wrist spinners in white ball cricket**

By SA'ADI THAWFEEQ

THE three-match ODI series commencing today between Sri Lanka and Afghanistan at the Pallekele International Cricket Stadium today could turn out to be a battle between the two leading T20I wrist spinners No. 1 ranked Wanindu Hasaranga and No. 2 ranked Rashid Khan.

These two excellent exponents of spin in white ball cricket have dominated the shortest format over the years and will be the cynosure of all eyes during the 50-over series, where their mastery will be on display not only for just eight overs but 20 overs, with each entitled to bowl a minimum of 10 per match.

Their bowling probably may not be the deciding factor of the series, but will certainly play a crucial part for both teams in their quest for victory as conditions in Pallekele are not only suited to spin but to seam and swing as well under lights.

As Sri Lanka white ball skipper Dasun Shanaka who has a good knowledge of the conditions in Pallekele quite rightly said: "The toss is going to be crucial because during the day the ball hardly does anything. If you take the Pallekele pitch in the afternoon, it is good for batting but in the night, under lights there is a chance for the ball to start swinging. We have two specialist fast bowlers and two fast bowling all-rounders in the team whom I hope to utilise under these conditions."

"The fast bowlers we have and who played recently, especially Lahiru Kumara, Kasun Rajitha, Asitha Fernando, may be short of experience but they have experience playing at international level. I hope to use that to the maximum throughout the series. For spin options we have Maheesh Theekshana, Wanindu



Wanindu Hasaranga bowls during a practice session at Pallekele watched by skipper Dasun Shanaka



Afghanistan's key spinner Rashid Khan during a team meeting at Pallekele



Hasaranga, Dunith Wellalage and Dhananjaya de Silva which is a good combination."

The two fast-bowling all-rounders are Shanaka and Dhananjaya Lakshan who is one of five players brought into the squad that played in the last ODI series against Australia. The others are fast bowlers Kasun Rajitha, Asitha Fernando and Lahiru Kumara and batsman Ashen Bandara.

Shanaka is confident that his players will be able to make the switch from T20 mode which they have been playing for the past five months to a slightly longer format of 50 overs.

"We have played well in the ODIs so far, the difference from T20 cricket is that we must spend more time in the middle and increase our concentration in ODI cricket. I think my players have that capability to convert their game and I believe they will play to the best of their ability and enable us to win."

Shanaka said he expected a

good challenge from Afghanistan and added: "If you take the teams playing today, you cannot underestimate any side. There are T20 tournaments around the world. Every team has players who have gone around the world and played and gained that experience. Afghanistan players are in a good space today because of that."

"We know who the opposition is because we played them in the T20 World Cup and in the Asia Cup although it was in the T20 format. We have plans on how to tackle them. If you take Rashid Khan for instance, we handled him very well in the two tournaments. We are prepared to face him and give a good account of ourselves."

Rashid picked up one wicket for 39 runs in the Asia Cup and 2 for 31 in the T20 World Cup - both matches which Sri Lanka won.

The Lankan team has during the T20 World Cup undergone a few disciplinary issues involving two players Danushka Gunathilaka and Chamika Karunaratne, but Shanaka was of the view that these incidents will not affect the team performances.

"The players are in a good mental frame of mind. When you have a squad there are problems. It happens not only to



Bhanuka Rajapaksa

■ **Bhanuka takes break from ODI cricket**

BHANUKA Rajapaksa, one of the key middle order batsmen has requested Sri Lanka Cricket to release him from this series as he intends taking a break from ODI cricket. His request has been granted but Sri Lanka has not replaced him in the squad which is now down to 15.

us but to all teams. It is a common thing. How we overcome such problems and how well we play is what's important. As a team we are in a good space to perform well."

SRI LANKA SQUAD FOR ODI SERIES:

Captain Dasun Shanaka, Pathum Nissanka, Dhananjaya de Silva, Charith Asalanka, Dinesh Chandimal, Kusal Mendis, Wanindu Hasaranga, Dunith Wellalage, Dananjaya Lakshan, Kasun Rajitha, Maheesh Theekshana, Pramod Madushan, Asitha Fernando, Ashen Bandara, Lahiru Kumara.

■ Portugal beat Ghana 3:2

CRISTIANO Ronaldo became the first man to score at five World Cups on Thursday after opening the scoring in Portugal's World Cup clash with Ghana.

The 37-year-old set the record when he smashed home a penalty in the 65th minute at the 974 Stadium in Doha to give Portugal an early lead in the Group H

Cristiano Ronaldo first to score in five World Cups



Cristiano Ronaldo

clash with the Black Stars. Thereafter, Ghana levelled

the score thanks to a goal by Andre Ayew. However, within minutes Portugal scored twice off the boots of Joao Felix and Rafael Leao to give seven-time finalists at the FIFA World Cup further edge in their first game of the 2022 contest. Just before close, Ghana's Osman Bukari scored to make it 3:2.

DOHA, AFP:

Spain shredded Costa Rica 7-0 on Wednesday in a brutal destruction in their Group E opener which launched their bid to lift a second World Cup.

Avoiding the fate of giants Argentina and group rivals Germany, who lost 2-1 to Japan earlier on, Luis Enrique's fancied side sparked at Doha's Al Thumama Stadium, dominating possession and taking their chances mercilessly.



Ferran Torres netted twice and Marco Asensio, Dani Olmo, Gavi, Carlos Soler and Alvaro Morata

were also on the scoresheet for the Euro 2020 semi-finalists in an emphatic romp.

Gavi became the third youngest goalscorer at a World Cup at 18 years and 110 days old, after Mexico's Manuel Rosas and record holder Pele.

Switzerland 'can beat anyone' at World Cup, says Xhaka

DOHA, AFP: Granit Xhaka said Switzerland "can beat anyone" at the World Cup after Brael Embolo's goal secured a 1-0 victory over Cameroon in their opening match on Thursday.

The Swiss have reached the last 16 at the last two World Cups but play tournament favourites Brazil next before concluding their Group G campaign against Serbia.

Switzerland made the quarter-finals at Euro 2020 after knocking out current world champions France and Xhaka feels his side could be one of the dark horses in Qatar.

"It is not chance, when you look at the last 10 to 12 years we have been in the main



Granit Xhaka

tournaments," the Swiss captain said.

"Brazil is the favourite for the tournament in my view. We have to bother them as we did in 2018." Switzerland drew 1-1 with Brazil in their first game at the 2018 World Cup, where they also beat Serbia 2-1 thanks to goals from Xhaka and Xherdan Shaqiri.

Son and Suarez subdued in Uruguay-Korea World Cup stalemate

DOHA, AFP: The returning Son Heung-min could not inspire South Korea as the Tigers of Asia started their World Cup Group H campaign with a 0-0 draw against Uruguay in Qatar on Thursday.

Uruguay captain Diego Godin and Real Madrid midfielder Federico Valverde came closest to breaking the deadlock when hitting the woodwork in each half, while Hwang Ui-jo wasted Korea's best chance, sky-



Uruguay's Federico Valverde, South Korea's Lee Kang-in fight for the ball during the World Cup group H soccer match between Uruguay and South Korea, at the Education City Stadium in Al Rayyan - (AFP)

ing a shot from 10 yards out with only the goalkeeper to beat.

It was a game of few chances as neither Son on one side nor Uruguay's fearsome strikers Luis Suarez, Darwin Nunez and Edinson Cavani could find a clear opening.